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An Analysis of

REGIONAL ECONOMIC DEVELOPMENT IN ONTARIO

for the

Ontario Economic Council

by

The Department of Geography
UNIVERSITY OF WATERLOO
Waterloo, Ontario

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AN ANALYSIS OF REGIONAL ECONOMIC DEVELOPMENT IN ONTARIO

Prepared for the Ontario Economic Council

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PREFACE

In the spring of 1964 the Ontario Economic Council requested the Department of Geography, University of Waterloo, to conduct an objective analysis of agencies and programs concerned with the various phases of regional economic development in Ontario.

Early in the investigation it was recognized that not all phases of this very complicated subject could be studied in depth in the amount of time available. Consequently, the study included only those Government departments and regional organizations most directly concerned with regional economic development. Nor was it possible to carry out investigation of every organization as thoroughly as desirable in every region.

The methods of investigation included an examination of pertinent legislation and other published and unpublished material, and interviews with Provincial Government officials, and people in various parts of the province concerned with regional development and regional planning.

The more deeply we delved, the more complex we realized the problem of regional economic development to be. Because of this complexity, we are aware that there may be some shortcomings in our analysis.

A number of our recommendations are very specific. Whether or not these specific recommendations are acted upon, we hope that the principles upon which they are based will be accepted and that some means will be found to achieve the desired goals.

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Waterloo, Ontario
November, 1964.



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I

INTRODUCTION

The concept of regional economic development and regional planning is not new in Ontario. It dates from the earliest days of settlement when broad administrative districts were established primarily to administer justice in those parts of the province where development was taking place. The very concept of responsible local government itself, as embodied in the Baldwin Act of 1849, which created counties, districts, and other municipalities, was based upon the idea of regional economic development. The marks of what was essentially planned regional development are evident upon the face of old Ontario, in the patterns of the townships and counties, the network of roads and railroads, and the distribution of settlement.

Despite the acceptance of the concept of economic development on a regional basis, the Province, over the years, has been hampered by the lack of an effective level of regional government to deal with regional problems on a regional scale.

In many instances it appears that the county was conceived as a town-centered region which would provide a municipal governmental unit through which regional economic development could be effected. Unfortunately, it seems now, the Baldwin Act gave only specific responsibilities to the county, with all residual powers going to the local municipalities. Thus the counties were unable to deal with many issues that were really regional in nature, because these matters were outside of their jurisdiction. In the early decades following the Baldwin Act, the local municipalities increased in importance as they assumed more and more responsibilities, while the county decreased in importance as major towns withdrew from the county system.

The rapid development of Ontario placed strains upon the municipal

structure. In rapid succession came the stabilization of agricultural settlement, the industrial revolution based upon water-power, the railway age, the second industrial revolution based upon coal, and later hydro-electric power, the post World War I tides of immigration, rapid urbanization, and the impact of the automobile and the building of a modern highway network.

The division of powers between the regional (county) and local municipal governments, and the inflexibility of boundaries resulting from the Territorial Divisions Act, produced an inflexible structure which was incapable of functioning effectively in matters of regional economic development, and was inadequate to meet the changing needs of society. In the middle of the twentieth century, Ontario is handicapped by a municipal structure which, even in the days of colonialization, had shortcomings for the purposes of regional economic development. Today this municipal structure has been completely outdated

In recognition of the fact that the local municipalities could not grapple adequately with regional economic development problems, more responsibilities have been given to the counties in the last few decades, while local municipalities have lost certain responsibilities to provincial boards and commissions. Because of the lack of a really effective regional level of government, the people of Ontario have progressively been losing local autonomy while the problems and responsibilities of the Provincial Government have multiplied rapidly.

Instead of creating effective regional government units, the Provincial Government has established numerous administrative regions, has created many regional and provincial boards, commissions and agencies, and has taken on many duties which really should be local responsibilities.

Because assessment and taxation are in the hands of the local municipalities, they are continually competing with one another in various

phases of economic development, often to their mutual detriment rather than co-ordinating their efforts to their mutual advantage. In areas where urban centres have grown together into metropolitan agglomerations, the cities have engaged in a seemingly futile competition with one another to annex suburban developments. Many of these annexation issues have gone to arbitration before the Ontario Municipal Board. In a series of decisions arrived at by adversary-type hearings and without reference to a general systematic reform, the O.M.B. has been responsible for major revisions of municipal boundaries and jurisdictions in the highly urbanized areas

In many cases annexations have not kept pace with urban growth, and consequently cities have spilled out into adjacent rural townships. In this way the central city has lost control over the form and pattern of its suburban growth. The rural township has usually not been adequately prepared to handle the problems resulting from rapid urbanization. The result has been a haphazard and disorderly urban growth, uneconomic to service and leading to many problems for both the urban and rural municipalities. The institution of area planning boards has been a relatively ineffective and only partial solution. Some means must be found for making it possible for all the parts of one urban community to pool their resources to solve the problems resulting from rapid urban development.

The more rural regions also suffer from fragmented municipal jurisdiction. The rural municipalities not only compete with one another, but they also find themselves competing for industrial development with the large metropolitan areas which usually have a number of comparative locational advantages.

In the slower growth areas, only the pooling of leadership and financial capabilities resident in the municipalities can make possible the optimum development of the natural resources of the region. In many instances,

industrial and tourist promotion can be effective only if carried out on a regional scale. A united effort maximizes results; a disjointed competitive approach dissipates commendable individual efforts.

In recent years the Province has been giving more responsibilities to the county and appears to be encouraging the county to take on even more duties in the future. It has even been suggested publicly by senior Government officials that the county may very well become the regional unit of local government. At the time of the Baldwin Act, the county would have made a reasonably effective regional government unit, but it was not given enough authority. When, over a hundred years later, the Province starts to consider strengthening the county, it is ironic to discover that many of the existing county units are now outdated because of the changing transportation and settlement patterns. Thus major county boundary changes will have to be made in order to turn the counties into regional government units that can meet the challenges of the 1960's.

How to help equalize the increasing differential in economic growth benefits between the fortunate and the less-favored areas has been a major problem facing the Provincial Government. Because the rural areas had less population and tax assessment, a differential grants system was evolved favoring the townships, villages, and towns. This has provided only a partial solution in the areas remote from the larger urban centres. However, around the growing cities the differential grants system has proven to be an impediment to the extension of city boundaries to encompass entire urban areas. That is, townships, which are in reality urban components of a larger city, are sometimes not annexed to the city because of financial difficulties created by subsequent reduction in provincial grants.

To further assist slow growth areas of the province, the Government encouraged and assisted regional organizations such as Regional Development Associations, Regional Tourist Councils, and county ARDA committees. These

regional organizations are designed to co-ordinate local and Provincial Government efforts in seeking to solve regional problems and to spur economic growth on a regional basis. However, lack of appreciation of the regional concept at the local level, lack of sufficient direction from the Provincial Government, and overlapping of responsibilities has reduced the effectiveness of these organizations.

Because economic development has a multitude of facets, the Provincial Government has had great difficulty in co-ordinating the programs of its various departments, branches, and agencies in a way that makes them complementary to one another instead of competitive. In its groping to find means of co-ordinating efforts at stimulating regional economic development, the Province has created a co-ordinating department, has established new departments to grapple with specific issues, and has reorganized established departments. In recognition that these actions failed to achieve the required co-ordination, Cabinet Committees were established to attempt to co-ordinate departmental policies. For various reasons this approach has not proven entirely successful.

A number of regional programs have been established by individual departments, each acting independently without much consideration for the impact of its program on those of other departments. In time, most departments dealing with land resources or economic development introduced their own regions, and few are related to each other.

With increasing centralization of Provincial Government authority, the lack of sufficient co-ordination of departmental policies and programs, and the lack of an overall Provincial Development Plan, has had an increasingly profound effect upon regional economic development.

There is a need for the Provincial Government to enunciate clearly defined principles of regionalism to be used by all departments concerned with

natural resources, the use of land, and economic development. There is a need for an integrated plan of attack on regional inequalities, and it should be drawn up using the benefit of local experience but on the scale of regional units. There is at the local level a need for a means by which the present rigid structure can be adjusted to meet the real needs of the time, and a corresponding need to keep such adjustment as a basic part of the relations between provincial and local government so that the structure does not fossilize once again, as new needs and pressures arise.

II

PROVINCIAL GOVERNMENT RESPONSE TO REGIONAL ECONOMIC DEVELOPMENT NEEDS

An Analysis of the Effectiveness of Provincial Government Organization, Policies, and Programs Related to Regional Economic Development

As has been outlined briefly in the previous section, certain needs related to economic development have arisen in different regions of the province, for which neither the Provincial Government nor the municipalities have been adequately organized.

The Government has responded to these needs in five basic ways: (i) establishment of departmental administrative regions and implementation of programs on a regional basis, (ii) formation of interdepartmental committees, (iii) reorganization of Government departments, (iv) creation of specific Government branches and agencies, and (v) encouragement and assistance to municipalities in creating regional organizations in which the municipalities can co-operate with one another to solve their mutual problems, promote economic development, and plan for the optimum use of the resource base within the region's boundaries. It is the intent of this section to

discuss the relative success of the first four of these actions, as well as to point out problems yet unsolved and make recommendations for future action.

1. Establishment of Ontario Government Administrative Regions

Because of the size of the province, Government departments have found it necessary to establish regions and subregions for the purpose of administering legislation and carrying out departmental programs. Extensive urbanization, and modern transportation and communication have made many of the municipalities (cities, towns, and townships) too small to be useful for administering policies related to economic development and planning. The county (or district) which might have been suitable for these purposes, has by-and-large been a relatively ineffective unit of municipal government.

Because of the lack of effective municipal units on a regional scale, many of the Ontario Government Departments have increasingly had to rely upon their own administrative regions. The growing acceptance of regionalism as a valid concept in the development and conservation of resources and in economic and municipal planning, has led to an increased emphasis on regional programs implemented through administrative regions. There has been a growing tendency to establish regional offices to help administer Acts on a regional basis, to collect data, to conduct research, to carry out educational programs, and to provide a means of two-way communication between Government and the people through field representatives.

Generally, each department has delimited its administrative region for its own specific purpose, without regard to regions of other departments. The basis for delimiting administrative regions has varied from department to department. In some cases the regions have been delimited on the basis of natural phenomena (e.g. conservation authority boundaries are dependent upon the extent of the watershed). The Regional Development regions have been based upon statistical data gathering units. The Department of Agriculture has used the

county as its basic administrative unit. Other regional boundaries have been chosen arbitrarily in order to divide the province into areas with approximately equal amounts of administrative work. For still others the delimitation of regional units seems to have been made on an ad hoc basis which is difficult to explain.

It is interesting to note that one Government branch, before making a decision to establish regional offices, made a survey of the boundaries of all of the provincial administrative regions and the locations of the regional offices. Their survey revealed that no one in some departments knows who delimited the regional boundaries, nor why. In a number of cases the regional office was located in a certain town because that was where the first field officer found accommodation. The conclusion was reached that there is no rationale for the majority of regional boundaries nor for the location of regional offices.

The situation produced by a large number of different sized regions whose boundaries do not coincide, has been further complicated by the introduction of a multiplicity of subregions and districts generally arrived at in the same haphazard manner.

The net result is an apparent maze of administrative regions and districts that often cut across basic statistical data gathering units such as counties and townships, thus making it difficult to analyse trends in resource use and economic development, and difficult to formulate and implement planning and economic policy.

There is little contact and therefore little communication among the field officers of the various Government departments — even in cases where they may have a common interest in a development project. What communication does exist usually proceeds through departmental channels via the circuitous route to Queens Park and back to the regional office.

After reviewing the provincial regional administrative organization,

one is led to the conclusion that, when confronted with an outmoded municipal structure, the Government of Ontario, in place of the needed basic reorganization of that structure, superimposed upon it a whole new and complicated set of administrative regions. This expedient has, in turn, created a fundamental impediment to rational planning of resource use and economic development.

There are compelling reasons why those departments whose policies greatly affect economic development should jointly make a reappraisal of their administrative regions. Insofar as is possible and practical, the aim should be to create (i) regions with common boundaries, or where different sized regions are dictated by circumstances, (ii) combinations of small regions completely contained by and coincident with a larger region. Undoubtedly it would be impossible to make all of the administrative regions coincident, and in some cases it may not be at all desirable, even if possible.

If, where practical, the counties (or districts) were to be used as the basic units in creating regions they could be combined in a number of ways, retaining the advantages of having adequate statistical data for policy making purposes. At present, the bulk of economic statistics available on an annual basis are available only by county or district, with the exception of certain cities and urban areas. The use of township boundaries would make the delimitation of regions more flexible but economic statistics on a township basis are available in any magnitude only from the decennial census, and in a lesser degree the quinquennial census.

In suggesting the use of county boundaries for delimiting regions, we quite realize that in many cases the county, the basic data gathering unit, is not a suitable basic municipal "building block" because it often cuts across natural resource regions and economic-administrative regions. Therefore if the counties are to be used as "building blocks" in developing new regions, an objective analysis of the county boundaries in the province would

be a prerequisite. This, of course, should be part of a complete overhaul of the badly antiquated municipal structural and jurisdictional organization of the province.

We in no way underestimate the difficulty of the job, but feel strongly that a hierarchy of administrative regions devised in a rational manner and based upon all of the facts available, would be superior to a set of regions conceived on an ad hoc basis and with no real concern for how they related to other departmental regions.

2. Formation of Interdepartmental Committees

It is widely recognized that the policies and programs of nearly every department directly or indirectly affect economic development of the various regions of the province.

The Department of Highways provides one example. In practice its policies and plans are necessarily affected by the policies of other departments because any major development in the province almost always necessitates the provision of new or improved highway facilities. The reverse is also true in that programs of the Department of Highways have a major effect upon the policies of other departments and upon economic growth in various regions of the province. For instance, a new or greatly improved highway can make potential recreation land available to masses of people, can attract industrial development, can steer urban growth in a certain direction, can impede the growth of a town, etc.

Because of this interdependence of Government departments, in a given region the policy and program of one department may tend to negate the results of the policy and program of another.

In addition to the lack of co-ordination between departments there are sometimes branches and divisions within a single department that do not co-ordinate their programs and activities. Again, cases of contradictory

and overlapping activites can be cited. In the process of our investigations we received a report concerning two sections of one branch that were carrying out the same type of field survey in the same region, with neither survey group knowing of the existence of the other until they met in the field.

Not only is there often a lack of co-ordination and co-operation among ministers, deputy ministers, and branch chiefs, but there are also instances of outright refusals to co-operate, sometimes based upon differences of basic development policy, and other times seemingly based upon jealousies and "empire building."

From time to time the Ontario Government has established inter-departmental committees in an attempt at co-ordinating policies of the various departments. One of the most significant of these was the Cabinet Committee on Conservation and Land Use formed in 1961. Because regional economic development is even more comprehensive in that it involves more departments and a greater range of problems than conservation and land-use, it is important to analyse the original goals, accomplishments and shortcomings of this cabinet committee.

The Cabinet Committee on Conservation and Land-Use involved the ministers and senior civil servants of the following departments or commissions: Agriculture, Economics and Development, Energy Resources, Highways, Lands and Forests, Mines, Municipal Affairs, and Treasury. To assist the Cabinet Committee, there was established at the same time a subcommittee of civil servants, known as the Conservation Advisory Committee. The original membership consisted of representatives of all of the departments listed above, (except the Treasury Department) as well as the Prime Minister's Office, the Department of Travel and Publicity (now Tourism and Information), the Hydro Electric Power Commission and the Ontario Water Resources Commission. Dr. E.G. Pleva, a geographer from the University of Western Ontario, was retained as a consultant to the committee.

The proposed responsibilities of the Cabinet Committee on Conservation and Land-Use were as follows:

(i) To propose a basis for a comprehensive program of development related to a provincial policy on natural resources.

(ii) To study and make recommendations on departmental procedures and problems in the general conservation plan of the province.

(iii) To recommend the best methods of co-ordinating the activities of the different agencies in the field of conservation.

(iv) To provide a clearing house for departmental plans and programs and an information exchange for the benefit of departments and agencies related to conservation.

To lay the groundwork for its later activities, the Committee asked each department and commission to prepare a brief outlining its organization and responsibilities as they were related to the problem of resource conservation and land use. From this information, a chart was prepared that showed the way in which ten different departments and commissions had either a direct or indirect affect upon resource use.

To indicate the significance of the Cabinet Committee on Conservation and Land-Use to the problem of regional development, we wish to emphasize that the interdependence of departments is even greater when applied to overall economic development.

The greatest benefit arising from the Cabinet Committee on Conservation and Land-Use was the better understanding of the roles and functions of the different departments gained by the senior civil servants. Branch chiefs from various departments were provided with the opportunity of discussing how their programs were interrelated and what problems they had in common. According to one participant, the committee was of value if it did nothing more than establish rapport among various senior Government officials. A number of people mentioned that a perceptible improvement

in interdepartmental co-ordination at the civil service level resulted from the meetings of this advisory committee.

However, there is little evidence to indicate that the Committee was very effective at the ministerial level, or that it resulted in any co-ordination of major policies or programs. This may be explained by the fact that many of the Ministers were so involved in the pressing affairs of their own departmental activities and could not find the time required to really give the committee a fair chance to succeed. Also, although a Minister was selected to act as chairman, no one Minister felt that he had responsibility for seeing that integrative policies were carried out.

In order for such a Cabinet Committee to succeed, it seems essential that the Prime Minister take the responsibility for ensuring that Committee policies are implemented, even though this might require major modifications of individual departmental programs. In this regard, it is interesting to note that when the 1950 Select Committee on Conservation recommended that an interdepartmental conservation committee should be established, it stipulated that the Prime Minister should appoint a Chief of Conservation, having the status of a deputy minister, whose duty it would be to bring about co-ordination and co-operation of all departments and agencies relating to conservation. This Chief of Conservation would be responsible directly to the Prime Minister. If future interdepartmental committees are to succeed, there must be this kind of clear-cut leadership and allocation of responsibility.

The effectiveness of the advisory committee was hampered by having an alternating chairman. In order to gain the maximum benefit from such a committee it would seem to be essential to have a permanent chairman with sufficient time available to prepare adequately for the meetings and to follow up the meetings with the reports, memoranda, and personal contacts necessary to implement committee decisions.

Several senior civil servants have pointed out other problems associated with establishing interdepartmental committees. These committees sometimes require so much time and effort that work in the various branches tends to suffer, since the committee work is usually taken on an overload basis. Then, too, if all policies and programs affecting other departments have to be discussed at great length in committee, the whole process of policy and decision making is slowed down. However, in the field of land-use planning and economic development, once a master plan of development was agreed upon, there would be much less need for committee discussion concerning specific programs; it would automatically be required that all departmental policies and programs conform with the master plan and accompanying policy statements.

The Cabinet Committee on Conservation and Land-Use, as well as the advisory committee, seems to have ceased to operate. Before any other interdepartmental committee is considered by the Ontario Government, it should investigate thoroughly the accomplishments and shortcomings of the Conservation Committee. Of course, a fair assessment can be made only if the people themselves involved in the Committee are willing to be very candid about it.

3. Reorganization of Government Departments

Various attempts have been made to reorganize Government departments in order to achieve more co-ordination. New departments have been formed, old ones have been combined, and some branches have been moved from one department to another. The Conservation Branch, for example, has been moved on three different occasions within a very few years.

The Department of Planning and Development was formed in 1950 in response to the need for co-ordination of various Government departments with programs relating to economic development. It was recognized that

physical planning for urban development must be co-ordinated with economic planning, and the Community Planning Branch was added to the Department of Planning and Development. As is shown in the following quotation, this new Department was specifically charged with the task of co-ordinating the work and functions of other departments as they related to stimulating business, maintaining employment, and developing resources.

> "The Minister shall collaborate with the ministers having charge of the other departments of the public service of Ontario, with the ministers having charge of the departments of the public service of Canada and of other provinces, with municipal councils, with agricultural, industrial, labour, mining, trade and other associations and organizations and with public and private enterprises with a view to formulating plans to create, assist, develop and maintain productive employment and to develop the human and material resources of Ontario, and to that end shall co-ordinate the work and functions of the departments of the public service of Ontario."
>
> - Section 3, The Department of Planning and Development Act, 1950.

The Department of Planning and Development never became very influential and in fact declined in importance. The Community Planning Branch was taken away from it and placed in the Department of Municipal Affairs. In early 1961 the name of the Department of Planning and Development was changed to the Department of Commerce and Development and the Department of Economics became the Department of Economics and Federal and Provincial Relations. Later in 1961, the Department of Economics and Federal and Provincial Relations and the Department of Commerce and Development were amalgamated to form the Department of Economics and Development.

The co-ordinating functions of the Department of Planning and Development (as quoted above) were specifically passed on to the Department of Commerce and Development, and the Act establishing the Department of Economics and Development states that the latter shall take on all functions

of the two departments combined to form it, unless otherwise stipulated.

Thus the co-ordinating functions have remained in the terms of reference of the Department of Economics and Development. With the exception of the work of the Regional Development division, the Department of Economics and Development appears to have done little to co-ordinate other department policies and programs relating to economic development. In fact, most Government officials seem to be unaware that legislation has given the Department of Economics and Development the same co-ordinating responsibilities as those of the preceding Department of Planning and Development.

The majority of the senior civil servants interviewed indicated that the concept of a co-ordinating type of department was excellent, but would work only if there were Cabinet support for the idea and a strong Minister in command who understood the functions of other departments, and who could adequately influence Government policies.

This underlines the contention that in our parliamentary form of government, the Cabinet is the only effective co-ordinating body. Unless there is solidarity and support of the Cabinet, it is virtually impossible for any committee or any department to act as a co-ordinating agency.

4. Creation of Specific Government Branches and Agencies

In addition to establishing regional administrative units, reorganizing departments and attempting to co-ordinate departmental policies through cabinet committees, the Ontario Government has also created a number of branches and agencies specifically charged with assisting municipalities in the formation of regional organizations to solve their problems, to accelerate their economic development, and to plan their growth. Again the limitation of time has restricted this study to an analysis of only those branches directly involved in regional economic development, and

whose programs appear to overlap.

a) Branches within the Department of Economics and Development

At the same time that the Regional Development Associations were established, a section known as the Regional Development division was set up within what is now known as the Trade and Industry Branch of the Department of Economics and Development. It was later taken from the Trade and Industry Branch and established as a separate division, but without the status of a branch.

There is no legislation formally establishing the Regional Development division, nor any specific written terms of reference. It was originally created to administer the grants of money made to the Regional Development Associations, give assistance and direction to these Associations, and generally provide liaison between the Associations and the Ontario Government. Although it has never been stipulated, one may justifiably assume that the co-ordinating function of the Department of Economics and Development, — as spelled out in the original Planning and Development Act — is also a responsibility of the Regional Development division. Thus, the Regional Development division is expected to provide the liaison link not only between the Development Associations and Government but also of necessity must attempt to co-ordinate policies and activities of various Government departments as they affect regional development. If, for instance, the Regional Development division were asked by a Regional Development Association to clarify Government policy concerning a certain problem that cuts across departmental lines, the division would have to consult several departments. If the policies of these departments were contradictory, the Regional Development division, it would seem, would have the responsibility of attempting to conciliate the differences, working through the Minister of the Department of Economics and Development.

To carry out its responsibilities the Regional Development division has been given only a small staff. For the year 1964-65, its budget for salaries, travel, maintenance, publications and displays, was only $61,000. In the same year the division had a budget of $150,000 for grants to Regional Development Associations.

With a limited staff, the Regional Development division has made a commendable attempt at assisting the Regional Development Associations in their programs. Many pamphlets and letters have been sent, personal visits and phone calls made, and conferences called to help supply the managers and the directors with information and ideas. Recently, a newsletter entitled "The Co-ordinator", has been mailed regularly throughout the province to provide information to the various regions about programs and activities in the other regions in Ontario as well as in other parts of the world.

With a stronger staff, much more could be done in giving leadership to the managers and directors of the Regional Development Associations. Particularly valuable assistance could be provided to the newly created Associations in guiding the development of their programs. A new manager in a recently organized Association needs constant advice because he lacks specific terms of reference and usually has little experience in the various aspects of economic development in which he must become engaged. In order to give adequate expert advice to Regional Development Associations, the resources of the Regional Development division would have to be strengthened to include specialists in industrial location factors, land-use and resource inventory, and economics of urban and resource development.

These specialists would not have to be added to the Regional Development division itself if they could be made available from other research branches. But to be effective, their full time should be devoted to survey and research on regional development programs and problems, and

they should be available to travel throughout the regions to give counsel to the managers and directors of Regional Development Associations.

As a liaison organization between Regional Development Associations and the Government, the Regional Development division has not been very successful. From a number of interviews with municipal officials, Regional Development Association managers and directors, as well as Government officials, we have concluded that Government departments prefer to receive information and requests either from their own field officers or directly from municipalities rather than from Regional Development Associations through the Regional Development division.

Generally, the Regional Development Associations themselves have chosen to bypass the Regional Development division in submitting briefs directly to specific Ministers or to the Prime Minister. Some municipal officials claim that the most effective way of requesting help from the Government of Ontario is still through the local member of the legislature. Also, the Government likes to announce assistance measures or new programs related to economic development through the elected representative (if on the Government side of the House) in order to give him credit and publicity. In fact, one Regional Development manager even suggested that M.P.P.'s are jealous of the liaison role of the Regional Development Associations and the Regional Development division.

The Regional Development division has been even less successful in co-ordinating the policies and programs of Government departments. Any requests for assistance, co-operation, or co-ordination of efforts from other departments, as well as from other divisions in the same department, have usually been met with something less than enthusiasm.

The effectiveness of the Regional Development division has been hampered by a lack of appreciation of its role by other Government departments and other divisions within the Department of Economics and Development.

The question put to us over and over was "What can the division do concerning regional development that another branch cannot do more effectively?" The answer is "practically nothing", except to act as a catalyst in encouraging other branches to take certain action or to help co-ordinate the programs of other branches. This, other branch personnel say, is not possible. One branch of one department cannot co-ordinate Government policies. Co-ordination must take place at Cabinet level.

The Trade and Industry Branch is another division of the Department of Economics and Development that is directly involved in promoting economic development. In fact, at one time the Regional Development division was part of the Trade and Industry Branch. At present the Trade and Industry Branch has eight divisions in addition to its foreign offices. The one most directly related to regional economic development is the Municipal Services Division which gives advice and guidance to individual municipalities regarding the promotion of industrial development. The Municipal Services Division not only gives advice on steps to be taken to help attract industry, but also provides municipalities with leads on industrial prospects, and often takes the prospect on a tour of the municipalities which seem best to meet the requirements of that specific industry.

The Municipal Services Division has recently embarked upon a policy of encouraging area industrial commissions in which several municipalities will seek jointly to attract industry to the area. It is also attempting to broaden the industrial promotion concept to include all aspects of economic development. In this regard there is overlapping with the Regional Development division which for years has been encouraging municipalities to pool their efforts in attracting industry through Regional Development Associations. The deputy director of the Trade and Industry Branch points out that the recommended industrial commission areas are comprised of adjacent municipalities with common economic interests, whereas the Regional

Development Associations cover broad areas often with little economic homogeneity.

On the surface, it would appear reasonable to have individual municipal industrial commissioners work closely with Regional Development Associations and, where feasible, have area industrial commissions formed under the aegis of the Regional Development Associations. Then the Trade and Industry Branch could work through the Regional Development Associations. However, in many instances industrial commissioners refuse to co-operate with the Regional Development Associations since they see them as a threat to their position. The Trade and Industry Branch generally does not give industrial leads to the Regional Development Association manager because the branch feels that Regional Development managers are generally not competent to act as industrial commissioners and because of municipal competition for industry. In still other cases, the management of industry stipulates that it wishes to negotiate directly with municipal industrial commissioners. Thus the Trade and Industry Branch usually lines up the prospects and takes them directly to the industrial commissioner of an individual municipality. It is true that the Regional Development managers are generally not experienced at industrial commissioner work, and that intermunicipal competition for industry makes the role of the manager very difficult. However, in rebuttal it can be said that industrial commissioners themselves are often inadequately trained for their job, and competition also exists among those municipalities which the Trade and Industry Branch is attempting to combine into industrial commission areas. If these expanded area industrial commissions are going to broaden their scope to include all aspects of economic development, then these, in effect, become little regional development associations within the larger Regional Development Association, but associated with a different division of the same Government department. If these divisions co-operated closely with one another, such a set-up

might be defendable. The fact is that there is very little co-operation or co-ordination between them. This kind of situation appears to us to be intolerable.

If the Government is going to continue encouraging and assisting economic development through Regional Development Associations, and if the Government continues encouraging the formation of area industrial commissions that are supposed to become involved in all aspects of economic development, then it would seem appropriate to merge the Municipal Services and Regional Development divisionsinto one, giving it the status of a branch.

Legislation should then be passed which would set forth the specific terms of reference for the new branch. The lack of legislation for the present Regional Development division has weakened the position of that division because it has no legal raison d'être, and there is always the threat that it will become simply an appendage of some other branch, a move which most likely would further weaken the already limited effectiveness of the division.

The lack of legislation may be partially responsible for the general lack of recognition of the Regional Development division amongst other Government departments and branches. Since the establishment of Regional Development Associations is not based upon legislation, the whole Regional Development structure could fold some year merely by the Legislature refusing to pass the budget that provides for the grants. Although this is unlikely to happen because of anticipated political repercussions, it does place the existence of the Regional Development Associations and the Regional Development division on a more tentative basis than organizations created by legislation.

Whether the present governmental departmental and branch structure is retained, or a major reorganization is carried out, it will take more than legislation to make the Regional Development division effective. In

addition to legislation it appears essential to have the Government issue a policy statement enunciating clearly the purpose and responsibilities of the Regional Development division. This should be accompanied by a Cabinet directive clearly stipulating the kind of co-operation and co-ordination that is expected between the Regional Development division and other departments and branches.

In summary, if the Government of Ontario believes in the regional development concept, then it is incumbent upon the Government to support the division designated to implement that concept, and to insist that other Government departments, branches and agencies co-operate.

In saying this, the writers are cognizant of the difficulty of obtaining co-operation and co-ordination amongst departments and branches that have traditionally been competing with one another, and where personality clashes may have occurred in the past. We also recognize that it is virtually impossible to co-ordinate economic development policies and programs when there is no overall official policy statement of economic development goals. If the Government believes in co-ordination of programs affecting regional economic development, one of the most urgent and fundamental tasks is to formulate a master development plan which becomes the blueprint for policies of all departments.

The Ontario Government has repeatedly stated its concern for achieving optimum economic development in the various regions of the province. If the Government believes that the present system and organization can achieve this goal, it must support it with action; if the Government does not believe the present system and organization can achieve this goal, it should scrap it and reorganize at both the provincial and municipal levels.

b) Tourist Industry Development Branch

We have noted that the Regional Development division is concerned

with the development of the total economy of regions, and that the Trade and Industry Branch is particularly interested in promoting the development of manufacturing industry in specific municipalities. We have also noted that the Trade and Industry Branch is encouraging a regional approach to industrial promotion and is also encouraging the area industrial commissions to broaden their promotion concept to include all aspects of economic development.

The Department of Tourism and Information (previously known as the Department of Travel and Publicity) is responsible for another important phase of regional economic development, -- the tourist industry.

Within the Department of Tourism and Information the major responsibility for regulating, developing, and promoting the tourist industry lies with the Tourist Industry Development Branch. In addition to administering the Tourist Establishments Acts (issuing of licenses and permits to build; inspection of premises; investigation of complaints), the Tourist Industry Development Branch provides guidance and advice to tourist operators and associations concerning resort management, sales promotion, advertising, arrangement and promotion of special events, and development of new tourist attractions. The Branch, through its regional and district offices, provides the chain of two-way communication between Government and tourist operators. It not only advises tourist operators, but gathers basic data from them. The Branch also administers the distribution of grants and carries out field surveys of present and potential tourist resources.

According to written terms of reference, the director of the Tourist Industry Development Branch is responsible for ensuring that the activities of his branch are co-ordinated with the policies of other branches in the Department of Tourism and Information. He is also required "to ensure that actions of other departments are in the industry's best interests." These terms of reference once again underline the necessity of co-ordination

in any activity related to economic development.

The operations of the Tourist Industry Development Branch are largely decentralized. The director is located in Toronto. However, there are five regional supervisors and twelve district representatives in various parts of the province. Some indication of the scale of activities of the Tourist Industry Development Branch may be gathered from the 1964-65 operating budget of $343,500. In addition, grants to Regional Tourist Councils totaled $150,000.

In order to carry out its responsibilities, the Tourist Industry Development Branch has established administrative regions and districts. Their boundaries do not coincide with county boundaries nor with the boundaries of Regional Tourist Councils. However, the administrative regions seem to be effective for the purposes of administering the Tourist Establishments Acts, and in acting as liaison between the tourist operators and the Department of Tourism and Information. Policy and guidelines for activities of regional offices are laid down by the central department, but the regional officers are free to make decisions and carry out programs within this policy framework. In this way the regional programs may be adapted to suit the particular regions.

In our view, the liaison, educational, and regulatory functions of the Tourist Industry Development Branch have been adequately carried out through its effectively decentralized regional operations. For example, every tourist establishment is inspected at least once a year. The regional offices have carried out a number of comprehensive regional tourist resource inventories. Such studies provide excellent sources of basic information useful to private operators, local tourist associations, Regional Tourist Councils, and the provincial department. They serve not only as a source of information for promotion and advertising, but also as a guide for future

development of attractions. We recommend the continuation of such inventorial studies.

From the tourist operators, the major complaint was that standards occasionaly were not enforced; consequently a few substandard facilities have given a whole region a bad name. Because of political ramnifications, it is difficult to take a license away from a "poor widow for whom the facility she is operating is her only source of income."

The Tourist Industry Development Branch has the same difficulty as the Regional Development division in co-ordinating its activities with those of other departments. The regional supervisors, in keeping with their terms of reference, attempt to persuade other departments to carry out special projects or develop certain resources, -- not always with success. The regional supervisors feel that their offices would be more effective if they had sufficient budget to staff special survey or development projects themselves, instead of having to prod others into taking action.

In order to co-ordinate the development and promotion activities of individual municipalities and of local tourist associations within regions, in 1961 the Department of Tourism and Information established thirty Regional Tourist Councils. Each of these councils receives financial assistance from the Government in the form of an annual matching grant up to $5,000.

These Tourist Council Regions coincided with the vacation regions which had previously been established for promotional purposes. The boundaries of these regions do not coincide with the boundaries of the regions and districts of the Tourist Industry Development Branch. If the boundaries of the various regions and districts could be made to coincide with Tourist Council regions it would make it easier to co-ordinate Tourist Industry Development inventory and development projects with those of the Regional

Tourist Councils.

The effectiveness of these Regional Tourist Councils will be discussed in more detail in the following section. However, we would like to point out here, that in most regions the largest part of the funds given to Regional Tourist Councils is used for promotion and advertising purposes; very little is used to stimulate actual development of new tourist resources. If it was the intention of Government to promote the development of new recreational facilities and tourist attractions, then the establishment of Regional Tourist Councils has not fulfilled this objective in most parts of the province.

It would seem that a more effective way to promote development of the tourist industry would be through the Regional Development Associations which are already established for the purpose of promoting regional economic development. Tourist zones and committees could be organized within the larger framework of the Development Region. This would necessitate close co-ordination or perhaps even complete integration of the developmental program of the Tourist Industry Development Branch and the Regional Development division. The regulatory and inspection functions of the Department of Tourism and inspection functions of the Department of Tourism and Information would not necessarily be concerned in any co-ordinative or integrative move.

The recently formed Travel Research Branch has started on a number of research projects that could provide in the long run, great assistance to the tourist industry. However, it is hampered by lack of adequate staff. When it proposed an ambitious research program involving the universities, the whole idea had to be shelved because sufficient funds were not made available. There would be merit in considering the desirability of co-ordinating the research activities of the Travel Re-

search Branch with those of other research branches. Travel Research Branch personnel could accomplish much more if they could work closely with the economists in the Department of Economics and Development, and researchers in the Department of Highways who are doing work closely related to the tourist industry.

c) The Community Planning Branch

The formation of the Department of Planning and Development in 1950 indicated that the Ontario Government had come to recognize that the physical planning of communities must be closely integrated with the economic planning of their development. Later, that part of the functions of the Department of Planning and Development dealing with physical planning, (and allied matters such as zoning and subdivision control under the Planning Act, 1955) was moved to the Department of Municipal Affairs. Zoning by-laws (under the Municipal Act 1849, as amended) were already dealt with by the Department of Municipal Affairs. The re-organization, which followed the recommendations of the Gordon Report, 1957, was intended to group all planning functions relating to land use into one department; a department concerned with municipal matters as well as advisory planning. However, so many different Acts and Government Departments are involved in this process that it is virtually impossible to group them all in one body.

Those functions most directly related to community planning were allocated to the Community Planning Branch: (i) Official plans, (ii) Restricted area by-laws, (iii) Subdivision control, (iv) Approval of subdivisions and (v) Regional studies. To carry out these functions (in 1964-65), the Community Planning Branch had an operating budget of $506,000.

As urban communities began spilling over municipal boundaries, it

was recognized that community planning must be carried out on a regional basis. The Community Planning Branch has subsequently encouraged and assisted municipalities to form joint planning areas. According to the Planning Act, it is the responsibility of the planning board of such an area "to investigate and survey the physical, social and economic conditions in relation to the development of the planning area." Thus it is clear that the Community Planning Branch is concerned with both regional economic and regional physical planning.

From time to time the Community Planning Branch has conducted regional pre-planning studies. So far it has carried out a major regional study for the St. Lawrence Valley, the Niagara Peninsula, the Oshawa-Hamilton area, the Sudbury district, and Waterloo County.

It has been stated by Government officials on a number of occasions that the purpose of these surveys was to provide the facts upon which a regional planning organization could be based. However, in several cases, although the Community Planning staff prepared recommendations on the desirable size and nature of a regional planning organization, the Minister of Municipal Affairs did not see fit to release the recommendations. In fact, the planning advisory committee of the Niagara Regional Development Association was unable to procure from the Department of Municipal Affairs some of the basic Niagara Survey data the Association required. As a further illogical complication, not long after the Community Planning Branch Niagara Survey, the Department of Economics and Development also began an independent economic survey of the Niagara Peninsula.

Recently the Community Planning Branch has been more forthright in making recommendations. After completing a study of the planning organization in Waterloo County, the Community Planning Branch published a report

which recommended the dissolution of a number of joint planning boards and the establishment of a County Area Planning Board with an adequate technical planning staff. In the fall of 1964 the Minister of Municipal Affairs indicated that the Province would provide financial assistance to area boards. Thus, it now appears that the Department of Municipal Affairs is encouraging and assisting municipalities to form larger planning units, using the county boundaries where these are feasible. Included in the terms of reference suggested by the Community Planning Branch for the new Waterloo County Planning Board, was the task of "area promotion." Thus it appears that the Department of Municipal Affairs is encouraging regional planning boards to take on the function of regional promotion which is also a major concern of Regional Development Associations.

Because of the many necessary contacts between the Community Planning Branch and municipal officials on a multitude of local matters, the Branch has found it desirable to establish regional offices. To date, two regional offices, each with a District Planning Advisor, have been set up in Sudbury and in Port Arthur. The Branch plans to introduce similar regional offices into other parts of the province.

The existing regional offices provide valuable liaison between the Community Planning Branch in Toronto and the municipalities. In addition to acting as a communication link, however, the District Planning Advisor also acts as a planning consultant to the municipalities. This is particularly true for the smaller municipalities which either do not recognize their planning needs, or do not think they can afford to obtain technical planning assistance.

In order to co-ordinate local planning with various Government policies and programs, the District Planning Advisors have been obliged to consult with field officers of other Government departments or agencies.

This consultation and co-ordination has been somewhat facilitated by having a number of different department field representatives in the same city, and in some cases in the same building. Both District Planning Advisors commented on the value of having other Government regional offices close by. They also both admitted that there was a limitation on the amount of co-ordination that could take place because of the lack of co-ordination between departments. It was pointed out by one of the District Planning Advisors that co-ordination of Government policies and programs as they relate to regional planning and economic development will be virtually impossible until regional development plans are established and until Government insists on effective interdepartmental co-ordination. In other words, what is needed is a clear statement of goals and the co-ordination to achieve them.

Some of the legislation dealing with matters of regional planning indicates how widespread is the co-ordinating responsibility of the Community Planning Branch, if it is to carry out its regional planning functions adequately. Although the following list contains only a few of the Acts with which the Community Planning Branch must be concerned, it serves to demonstrate that the co-ordinating functions of that Branch are both necessary and complex.

(i) The Planning Act

(ii) The Assessment Act

(iii) The Municipal Act

(iv) The Highway Improvement Act

(v) The Lakes and Rivers Improvement Act

(vi) The Municipal Drainage Act

(vii) The Conservation Authorities Act

(viii) The Parks Integration Board Act

(ix) The Parks Assistance Act

(x) The Provincial Parks Act

(xi) The Public Parks Act

(xii) The Ontario Water Resources Commission Act

Thus it appears that co-ordination is as much a function of the Community Planning Branch of the Department of Municipal Affairs as it is of the Regional Development division of the Department of Economics and Development. Not only do the two divisions share the need for co-ordinating Government policies and programs, but they are engaged in two aspects of regional development that cannot be separated in theory or practice, — economic development and physical planning.

In a previous section it was recommended that the Municipal Services Division of the Trade and Industry Branch be attached to the Regional Development division. After reviewing the overlapping functions of the Community Planning Branch and the Regional Development division, we believe that serious consideration should be given to combining these two divisions. In one way or another, it is essential that their policies and programs be co-ordinated.

If it is decided to form a combined Community Planning-Regional Development-Municipal Services Branch, there still remains the problem of deciding to which department this branch should be attached, or whether it should be part of a new co-ordinating type of department concerned with the major aspects of regional economic development and planning. This problem will be discussed more thoroughly in the last section of this report, after we have discussed the effectiveness of various regional development and planning programs as seen from the municipal or local level.

At this point, however, we wish to emphasize that governmental reorganization would not automatically solve all of the problems involved

in formulating and implementing adequate provincial programs of regional economic development and planning. Unless the Cabinet Ministers are aware of the need for an overall plan of development for the province, and are jointly willing to prepare and implement it, any new organization will have only limited success. The preparation and implementation of an overall provincial plan of development requires active co-ordination at the Cabinet level that cannot be legislated.

d) Research Branches

When the Department of Economics was formed in 1956, it was composed of four small economic research branches (Economic Statistics Branch, General Economics Branch, Intergovernmental Relations Branch, and Financial Research Branch) reporting to the Deputy Minister, who in turn, reported to the Provincial Treasury. Although this was the formal line of communication, in fact the Department of Economics acted as a research arm reporting directly to the Prime Minister's office. As such, its main activities concerned the preparation of reports involving government or fiscal relations (federal-provincial tax sharing, grants to municipalities, grants to school boards, etc.) the preparation of the annual budget, and studies concerning the economic status of and recommended policies for specific industries such as mining, or logging. In actual practice, relatively little of the Department of Economic's work related directly to industrial or overall regional economic development.

The Economic Statistics Branch (the forerunner of the present Special Research and Surveys Branch) did prepare descriptive studies of the various economic regions of Ontario and was a source of statistical information through its role as guardian of D.B.S. statistics. The other branches, particularly the General Economics Branch (now the Economics Branch), became

involved in regional questions on an ad hoc basis when particular problems arose. The Intergovernmental Relations Branch (now with the Treasury Department) did a very thorough study in 1961 on the governmental setup of Metropolitan Toronto (the Gathercole Report).

When the Economics Department was amalgamated in 1961 with the Department of Commerce and Development to form the Department of Economics and Development, three of the four research branches joined the new department, - Financial Research, Special Research and Surveys, and Economics.

The Financial Research Branch had been closely involved with Government policy in the Department of Economics, and some of its previous functions such as preparing budget material were removed. It had retained some of its old responsibilities including the preparation of reports and memoranda on matters relating to the Government's fiscal policy, and had added new responsibilities such as providing supporting material for the Ontario Development Agency and for policies concerned with federal-provincial financial relations.

The responsibilities of the Special Research and Surveys Branch are to compile and analyze economic and financial data and to maintain close liaison with the Dominion Bureau of Statistics. In co-operation with other units of the department, the Branch prepares and publishes the Ontario Economic Survey. It also undertakes studies pertaining to the economic and financial aspects of specific natural resource industries, such as commercial fishing in Lake Erie, and alternative industrial opportunities for the Bancroft area. A specific responsibility of the Special Research and Surveys Branch is the study of the province on a regional basis. A major project has been to publish a series of surveys of the different economic regions of Ontario. It is the aim of the Branch to complete economic surveys of all the regions of Ontario within the near future.

By contrast, the terms of reference of the Economics Branch deal primarily with general problems of the economy of the entire province instead of specific regions or industries. It reviews for the whole province such things as current economic conditions, labor economics, and population and labor force projections.

It is significant that in attempting to study the economy of the whole province, the Economics Branch found that it inevitably became involved in analyses of local and regional economic developments. Although the Branch is expected to deal primarily with data covering the province as a whole, it recognized that provincial totals may frequently disguise accelerating output in one part of the province, and declining activity in another, and therefore the Branch found it necessary to collect current statistical data for different segments of the province. Samples of this type of data were given in the May and June 1964 issues of the Ontario Economic Review. As we have seen, both branches, regardless of their terms of reference, have found it necessary to deal with the province on a regional basis.

Economic research, whether dealing with the whole province or its component parts, involves both descriptive and analytical studies. The regional surveys carried out by the Special Research and Surveys Branch seem to fit into the category of descriptive rather than analytical economics. On the other hand, the Economics Branch, notwithstanding its terms of reference, is necessarily becoming involved in analytical studies of the regional economics. As an example, the Economics Branch is currently developing an economic index which, it hopes, will provide a valid indication of the relative economic health of various parts and regions of the province ("An Index of Economic Health for Ontario Counties and Districts", Ontario Economic Review, September 1964). Another current project is an analysis

of changing patterns of industrial locations in Ontario as they relate to different industries. This is, in our opinion, a significant step in analytical research on a regional basis.

It is clear that there is a need for more analytical research. This is illustrated in the following excerpt from a letter from an industrial commissioner addressed to the Minister of Economics and Development:

> "Descriptive economics is most helpful to people who are qualified to analyze the statistics and other data compiled so that its meaning for the future development of the economy can be deduced. Unfortunately, very few of us are qualified to do this analysis. My specific suggestion is that your economists focus on business development, relating the known facts of the economy to future possibilities with direct recommendations for promotional activity on specific industries. Then we need some intensive study of those industries to prove feasibility to them."

After reviewing the terms of reference and the actual activities of the Economics Branch and the Special Research and Surveys Branch, we have come to the conclusion that from both a theoretical and practical consideration the two branches should be amalgamated. The amalgamation of the Economics Branch and the Special Research and Surveys Branch would result in a research branch with about twenty-four economists and a budget of approximately $375,000. By avoiding administrative and research duplication, this research group of twenty-four economists should be able to provide the kind of analytical economic research required. This combination of existing research branches should make it possible to produce better economic analyses at both the provincial and regional level which would be of more use to Government policymakers, investors and businessmen.

At this point we are convinced that it would be useful to investigate thoroughly the functions of all Government research agencies and branches to ensure that not only is there not duplication of effort, but that there is positive co-ordination of activities. Perhaps there is need for an overall economic research co-ordinator. However, we have not carried

out sufficient investigation to be in a position to make such a definite recommendation.

e) Agricultural Rehabilitation and Development Agency

Because the ARDA program is vitally concerned with rural economic problems, it cannot be ignored in any analysis of Government agencies relates to regional economic development. In fact, the ARDA program, to be effective, must be fully integrated with other Government regional economic development programs.

One of the difficulties with the ARDA program in Ontario is that it seems to be a program primarily concerned with agricultural problems instead of total rural economic development. Consequently Ontario ARDA has not authorized a number of proposals with promising possibilities for increasing economic development because they appear to fall beyond the scope of the Department of Agriculture. Particularly in the field of regional resource and economic analysis, it would appear that the Provincial Government is losing an excellent opportunity of obtaining very substantial funds to support major research projects that could be carried out jointly by existing research branches, universities, and research consulting firms.

In implementing ARDA projects and programs, it would seem wise to make more use of existing agencies, organizations, and committees instead of setting up new Rural Development Committees. To some extent this has been done in Northern Ontario where the Regional Development Associations have been responsible for suggesting ARDA projects. In Southern Ontario, the special County ARDA Committees that have been established reflect a strictly agricultural point of view, and do not seem to see the broader implications of ARDA's rural development aims.

Because ARDA's primary goals are related to rural regional

economic development it would seem advisable to attach this agency to the department most concerned with regional economic development.

III

REGIONAL ORGANIZATIONS AT THE LOCAL LEVEL

In Section II we discussed the response of the Provincial Government to regional economic development needs. Among the various approaches was the encouragement and assistance to municipalities in creating regional organizations in which municipalities, co-operatively and in partnership with Government, could solve their mutual problems, promote economic development, and plan for optimum use of their resources.

In this section, the general effectiveness of three organizations directly concerned with regional economic development, Regional Development Associations, Regional Tourist Councils, and Joint Planning Boards is discussed.

In gathering factual data and opinions for this section of the report, we studied all available published and unpublished reports, and interviewed numerous people associated with either the Provincial Government or with the various regional organizations. During the course of our field investigations, we interviewed not only secretaries, managers, and directors of regional organizations, but also consulted with mayors, reeves, non-elected municipal officials, industrial commissioners, planning directors, managers of chambers of commerce, and prominent industrialists and businessmen across the province.

In addition, approximately 500 questionnaires were mailed to all Regional Development Association directors, to all secretaries of Regional

Tourist Councils, to the clerks of all counties and towns, and of every fifth township (See Appendix).

Telephone interviews were used to supplement our field interviewing and to check on facts while in the process of writing the report.

1. Regional Development Associations

a) Formation and Terms of Reference

The post World War II tendency toward concentration of industrial economic expansion in and around a few urban centers brought increased demands from other areas of the province for a more equitable distribution of growth benefits in Ontario. For example, the Eastern Ontario Associated Boards of Trade and Chambers of Commerce which, in response to this imbalance, had set up a staff and program designed specifically to attract industry to that area, requested financial assistance from Queens Park, feeling that they were assuming obligations and responsibilities which, in part at least, properly belonged to the Province. In reply to growing demands in general, and from Eastern Ontario in particular, the Ontario Government in 1954 made possible the introduction of the first regional development association, The Eastern Ontario Development Association. In subsequent years, eight additional Regional Development Associations have been formed to cover all but four counties centering on metropolitan Toronto which are now in the process of organizing an association.

The Regional Development Associations were established on the premise that substantial benefits can result where a partnership of government and people provides opportunities at the regional level for local initiative and collective effort to promote area-wide economic growth. The emphasis was upon a pooling of financial and human resources and upon

TABLE I

Regional Development Associations in Ontario, 1964

Date	Regional Development Association	Counties (or Districts) Included
1954	Eastern Ontario	Frontenac, Carleton, Lanark, Leeds and Grenville, Prescott and Russell, Renfrew, Stormont, Dundas and Glengarry
1955	Northwestern Ontario	Kenora and Patricia, Rainy River, Thunder Bay
1955	Georgian Bay	Bruce, Dufferin, Muskoka, Grey, Simcoe, Parry Sound
1955	Lake Ontario	Haliburton, Hastings, Northumberland and Durham, Lennox and Addington, Peterborough, Prince Edward, Victoria
1955	Northeastern Ontario	Algoma, Sudbury, Mipissing, Manitoulin, Temiskaming, Cochrane
1956	Mid-Western Ontario	Huron, Perth, Wellington, Waterloo
1957	Niagara	Brant, Haldimand, Halton (Burlington only), Wentworth, Welland, Lincoln
1963	Lake Erie	Middlesex, Elgin, Oxford, Norfolk
1963	Lake St. Clair	Essex, Kent, Lambton

co-ordination of self-help attempts at extending and stabilizing the economic base of these regions. It was generally agreed that through such organizations the local people frequently can do for their areas things that a provincial government cannot do, or they can do them more effectively. By implication, the Regional Development Associations would also serve to provide a partial balance for the growing centralization of political and economic affairs in Toronto.

In many respects the Regional Development Associations were to function as region-wide "chambers of commerce" concerned for the promotion of economic growth in their areas and for the solution of local economic problems. Their principal goal was to be the creation of more jobs -- by encouraging the development of their resource base through inter-municipal co-operation and a region-wide approach to economic needs.

In the regional development concept the Provincial Government's role was seen as that of assisting in the financing of the local organizations' operations, of providing advice in programming, of giving careful consideration to regional needs brought to its attention by the Regional Development Associations, and of co-ordinating its policies and programs in efforts at resolving some of these problems.

There is no official Government document which outlines specific terms of reference for Regional Development Associations in Ontario. In 1954 a Government publication reviewing the aims and purposes of the regional development program contained the following statement.

> "This Development Programme was founded on the following basic principle - not to replace, but to encourage and support local initiative on the part of the people directly concerned in their efforts to solve their own growth problems and to lay long-range plans for the sound, orderly development of the region in which they live.
>
> This principle was accepted by the Government because it left broad scope for the Programme to be adapted by the people

> themselves to meet the needs of their own particular region. Also, while it left the people in the region in full control of their own development programme, it made it possible for the Government to work in partnership with them and to support their efforts financially.
>
> The Regional Programme called for an entirely new approach to development on a regional basis and the establishment of a new organization - a "Development Association" in each region.
>
> Under the charter the associations are empowered to take an active interest in all or any phases of development within the regions, including industrial development, the tourist industry, agriculture, mining, community planning, education, highways, lands and forests, and so on. In fact the partnership arrangement provides that all the services offered and administered by the seventeen departments of the Ontario Government be made known and be made available to the associations for use in the attainment of their objectives.
>
> The Regional Development Programme was intended to be broad in its scope and flexible in its application and no rigid rules were laid down under which the development associations were to operate, or under which the partnership with the Government was worked out."

Although there was no indication that this statement constituted official Government policy (the document was unsigned) it has been referred to and quoted in a number of subsequent Government publications discussing the terms of reference of Regional Development Associations. With the exception of modifications in financing agreements, if would appear that these terms of reference have remained unchanged to the present.

The above terms of reference provide for an extremely wide range of potential activities, in effect, including virtually any function related to economic development. They were deliberately expressed in the broadest possible fashion to provide the flexibility and the breadth necessary for their application to the different regions of Ontario.

The Provincial Government assumed two major responsibilities in providing funds on a matching grant basis and in making available to the Regional Development Associations the resources of its various departments and agencies. In this latter connection it is interesting to note that the onus of communication, initiative and co-operation rests with the Province.

Almost complete responsibility for the formation and operation of Regional Development Associations was left to the area residents. The Associations' boards of directors hire staff, formulate policies, and introduce programs which they feel will most benefit their region. Thus a high degree of local autonomy is retained with a fundamental stress upon programs of self-help and local initiative. Some programs may be implemented entirely by the Associations themselves and others with the assistance of Government departments and agencies.

Terms of reference which are very broad in their scope generally contain elements of both strength and weakness. One cannot question the need for breadth here and the advantageous flexibility which it provides. Only in this way can programs and activities be effectively geared to regional needs which vary both in time and place. However, the very fact that there is such a wide range of functions open to the Development Associations has resulted in certain difficulties for them. Many government officials and area residents see the terms of reference as being of quite limited value as a guide for action since "everything and anything" falls within the confines of economic development.

Within the Development Associations there has been consequent perplexity and indecision as to where limited resources and effort should be expended. The general nature of the terms of reference has resulted in much time being wasted in continuous discussion and debate about specific aims and goals for an individual Association. The managers, in particular, are constantly faced with the dilemma of having to use very generalized terms of reference as a base for the formulation of programs of a specific nature. Managers, directors, zone committee members, municipal officials, businessmen, government officials, etc. have all indicated that the lack of clear, specific terms of reference has greatly reduced the effectiveness

of the Regional Development Associations.

It must be conceded that breadth and flexibility in the terms of reference are essential and that they constitute potential strength rather than weakness. However, in our opinion, there is an urgent need for the Provincial Government to assist individual Regional Development Associations in the interpretation of their terms of reference in order to help them form development programs that are related realistically to the particular needs and resources of their region. This is not to imply that the Province should direct the programs but that it should assume the responsibility of giving sufficient leadership and guidance in the form of suggested lines of action suited for each region.

The Province has provided some valuable assistance and co-ordination through its Regional Development division in the Department of Economics and Development but not nearly enough has been done.

In addition to expansion of financing and advisory services there is need for a clear re-statement of policy by the Cabinet or Prime Minister to the effect that the services and resources of all departments will be made known and readily available to the Regional Development Associations on a continuing basis, i.e. a reaffirmation of statements in the original terms of reference. Linked to this is the need for a clarification of policy to properly relate the activities of the Regional Development Associations to programs of these departments and agencies.

In practice, despite the broad terms of reference and many varied efforts in many aspects of economic development, most Associations have tended to concentrate upon programs of industrial or tourist promotion because this approach apparently promised the greatest and quickest returns.

At the time the first Regional Development Association was formed, the Province stipulated that a majority of the region's municipalities --

regardless of their population -- agree to establish and provide financial support to an Association for a minimum of three years. Presumably this was to ensure the formation of an organization which clearly was based on a broad foundation of popular and financial support -- a so-called "grassroots movement."

Since the formation of the first Association, others have been formed without the support of a majority of the municipalities in the region.

b) The Regional Boundaries

The boundaries of the Development Association regions of Ontario were delimited by the Province in 1954 to coincide with those of the ten statistical data-gathering regions which had been previously established. Unfortunately these data-gathering regions are not sufficiently related to the underlying regional economic structure of the Province. Thus, the regions of the Development Associations are less than realistically related to this economic structure and consequently are not entirely satisfactory for carrying out comprehensive economic development programs (Fig. 1).

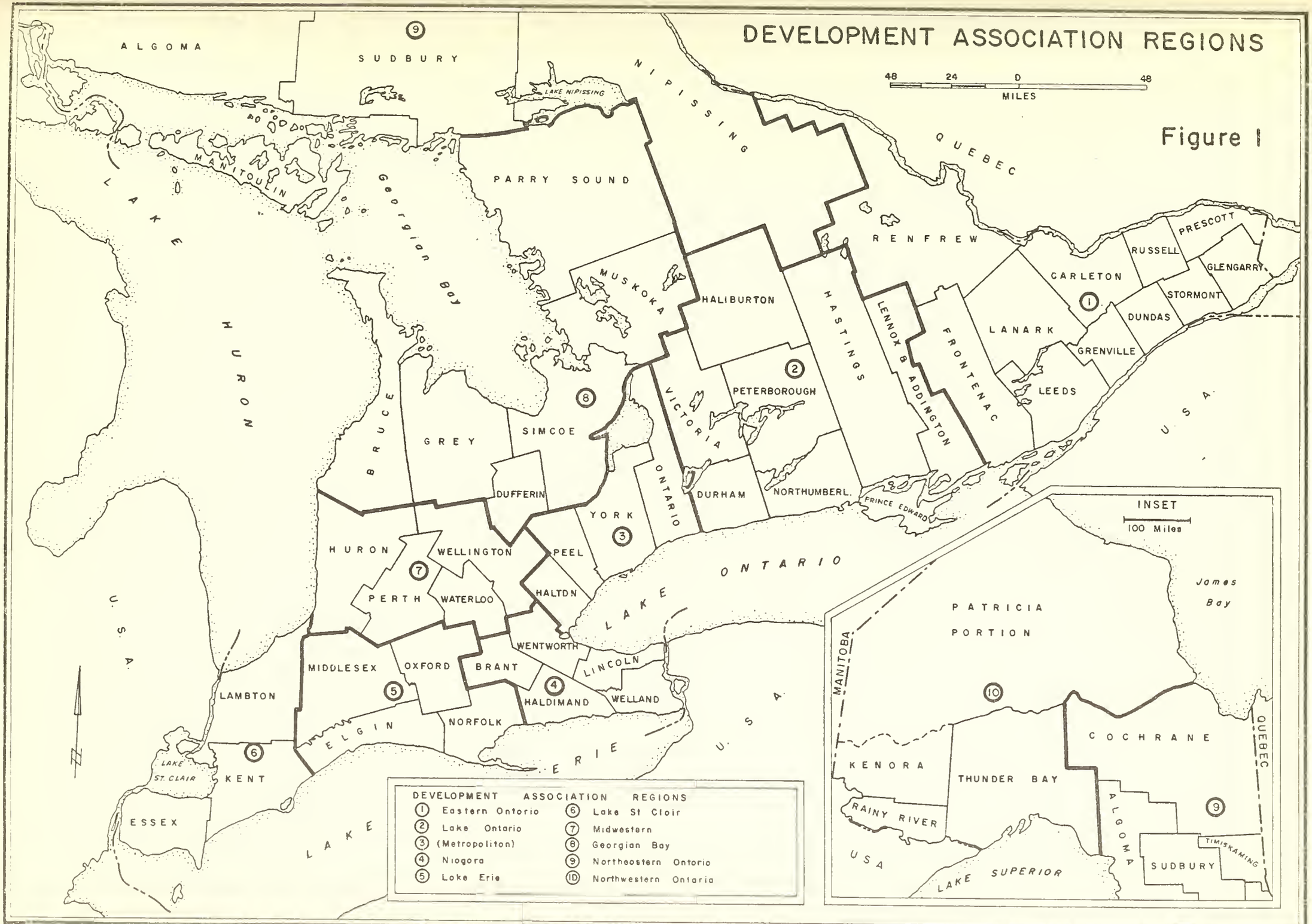
No system of regions can ever be entirely satisfactory for the purposes of guiding economic growth because of the multi-functional and changing nature of regional economic development itself. However, it is important that the regional divisions established for any truly concerted and co-ordinated effort at regional economic development by government and local interests be aligned as closely as possible to the present economic pattern of the province -- regardless of the role to be played by Regional Development Associations in the future.

Theoretically, every functional region has a core, a tributary area, and a less closely tied fringe area which is part of a transition zone merging into an adjacent region. In general, the larger the region

continued on inset

DEVELOPMENT ASSOCIATION REGIONS

Figure 1



DEPARTMENT OF GEOGRAPHY

UNIVERSITY OF WATERLOO

the less closely tied the fringe area. Even in theory, great difficulty is encountered when attempting to draw a precise boundary line through an area which is really a transition zone between two regions.

Considering the fact that the Development Association regions do not coincide with the actual economic regions of the Province and that they are relatively large, it is not surprising to find problems arising from the location of their boundaries. Municipalities, situated on the fringes, frequently feel isolated and removed from the affairs of the region and the Development Association. Some Association managers have indicated their belief that certain areas should be shifted from one region to another because they contain isolated fringe municipalities which could be more readily integrated into the adjacent region. No doubt this problem is not completely avoidable in regions of any size but is aggravated where the regions are very large. An even greater lack of regional cohesion occurs where Association boundaries dissect a functional economic region. In northern areas the size of the regions and the distances between widely scattered municipalities has created serious problems for regional unity and operational effectiveness in the Associations.

As indicated in Section II, the regions of the Development Associations do not correspond to those set forth by a multitude of Government departments and agencies. It would seem reasonable to expect a greater degree of co-ordination than has been the case in the delimitation of these regions. To the extent that the services and facilities of the Provincial Government are expected to be utilized by the Development Associations, there is concern for greater coincidence in these regional patterns. Certainly, in many instances the boundaries of the Development Association regions could be readily adjusted to assist in increasing administrative efficiency and program co-ordination. This entire matter of regional de-

limitation needs serious consideration and study in order to establish more realistic economic regions in the province for the purposes of physical and economic planning and development from both the local and provincial levels.

To this point we have considered Regional Development Association boundaries without mention of internal divisions. The subdivision of each region into several parts consisting of counties or districts reflects a need for smaller administrative and organizational units, the Development Associations' "zones". As with the regional boundaries, the county or zone limits frequently cut through what appear to be fairly cohesive economic regions and are not realistically related to those regions. In the very large Development Association regions (e.g. Northeastern Ontario) it may be necessary to strengthen the zones in order to offset limitations imposed by distance and intra-regional differences of interest and outlook. The utility of the economic sub-regions of Ontario outlined by the Department of Economics and Development in which two or more counties are often combined also should be considered in any move toward minor adjustments in present Association boundaries.

Although the Association regions do not coincide with the actual economic framework of the province, they do provide one advantage in being laid out upon present county and district boundaries. The county or district is often too big or too small to enclose areas which might be utilized as distinctive units in a province-wide pattern of development regions. However, if they were merged or their boundaries realistically adjusted, the counties would provide the Province with effective "building blocks" for creating more realistic regions than those currently occupied by the Regional Development Associations.

c) Financing

The matching grant financing arrangement introduced by the Province in 1954 provided for a maximum of $10,000 to be given annually to each region by the Provincial Government. Since that time the arrangement has been modified periodically, largely in response to requests from the Regional Development Associations for additional financial assistance. In 1961 the grant level was increased to $12,000 with an additional $3,000 also on a matching basis made available for economic research and specific studies. Two years later the grant was increased to a maximum of $15,000.

Thus, the Regional Development Associations were theoretically in a position to operate with a minimum annual budget of $20,000 in 1954 and $30,000 in 1964 provided they could raise half that amount within the region from their municipal and associate memberships. The actual grants and budgets for 1963 are shown in Table II.

The financial capabilities and status of the Associations varies from region to region, reflecting their populations and to some extent the length of time they have been in existence. Each Association assesses its municipal members on the basis of population with per capita charges set independently in each region. Table II indicates that the greatest variation from region to region seems to occur in revenues obtained from associate memberships, and other sources including sportsman shows, tourist folders, industrial advertising manuals, and special grants

The matching grant system of financing is designed, of course, to encourage self-help programs where local support is evident and where decisions may be made independently of central government influence or pressures. Unfortunately, there are also shortcomings to such an approach. The ceiling on the funds that can be raised locally from all types of memberships constitutes a limiting factor affecting the range and scope

TABLE II

REGIONAL DEVELOPMENT ASSOCIATIONS - BUDGETS 1963

Association	Provincial Grants	Municipal Receipts	Associate Memberships	Other Income	Total Association Budget
Eastern Ontario	$15,000.00	$11,490 00	$ 6,575 00	$11,984.00	$38,474.00
Northwestern Ontario	15,000.00	12,825 00	---	3,104.00	30,929 00
Georgian Bay	15,000.00	16,483 00	225 00	6,151.00	37,634.00
Lake Ontario	15,000 00	14,731.00	1,375.00	2,983.00	32,715.00
Northeastern Ontario	15,000 00	16,318.00	---	14,539.00	45,875.00
Midwestern Ontario	13,750.00	10,812 00	800 00	2,608.00	27,170.00
Niagara	11,574 00	8,752.00	1,175 00	3,212.00	23,538.00
Lake Erie	12,705.00	12,210 00	---	2,996 00	27,911.00
St. Clair	5,529.00	4,470 00	---	2,800 00	12,799.00

(Based on data compiled by the Regional Development division)

of programs that the Regional Development Associations can implement. There is also the problem of the unpredicatability of Association financing from year to year where voluntary memberships are renewed on an annual basis. For example, the loss of a single large municipality could create a critical financial situation for a Regional Development Association. Not unimportant is the paradox produced by the need to succeed in order to gain local financial support and, at the very same time, the need for financial support in order to succeed.

It seemsapparent that there is not enough money available for carrying out the kinds of research and developmental projects that are essential for the fulfillment of the goals of the Regional Development Associations. For some areas the situation is more acute than in others. In the newer regions, the financial needs are perhaps the greatest and the financial capabilities the least.

A further complication is provided by the increasing number of organizations competing for funds from the municipalities. It is evident that all the existing and proposed groups at the local level cannot exist on the available local finances. Repeated requests for financial assistance from different organizations for the same or similar purposes (industrial and tourist promotion) has confused the area municipalities and in some instances led to the cancellation of any contribution. There are indications that the effects of this situation are creating further financing difficulties for the Regional Development Associations.

In recent years there have been increased demands from Government departments and agencies for the Development Associations to gather regional data for them. With the existing limitations of staff, time and budget, it is entirely reasonable to expect the Province to increase its financial support on a non-matching grant basis to cover the costs of such

services.

If there are no major changes in the organization and functions of the Regional Development Associations, there should be a substantial increase in the financial assistance given to the Associations by the Province. In our view the Government should continue the $15,000 annual matching grant and provide an additional $15,000 on a non-matching basis. This should serve to stabilize the financial position of the Development Associations and enable them to make more progress in i) expanding their existing programs, ii) introducing new projects, iii) establishing longer range planning, iv) enlarging existing educational efforts, and v) providing for more communication with the region's municipalities.

In addition to the above mentioned grants, consideration should be given to the introduction of supplementary grants based on differential regional needs. For example, it would seem reasonable to expect that such funds could be used to defray the unusually high travel expenses encountered by managers and directors in the large northern regions.

Although some reluctance at accepting outright provincial grants has been expressed by managers and directors, evidently arising from a suspicion that such a step would lead to Government "interference" in Association affairs, these funds would be taken if offered, for they would provide the much needed relief from financial difficulties some Regional Development Associations face. It should be possible for the Province to assure the Regional Development Associations that the additional grants would in no way affect their autonomy, but that, in fact, by freeing them of financial difficulties would give them greater freedom to pursue effective development programs.

This suggested change in the grant structure should provide badly needed additional resources for the newer regions. However, it is

especially important that adequate assistance be supplied to these particular Associations and if the amounts suggested were found to be insufficient, consideration should be given to special early-growth period grants to assist them in developing a broad base of financial support.

Paradoxically, uniform treatment of all regions by the Province is inequitable, for in matters of economic development the regions vary substantially in size, population, municipalities, resources, stage of growth, and most important, needs. Any radical change in financing agreements to take into account inter-regional differences would require detailed study of the needs and resources of the different regions.

d) Membership and Support

Throughout the regions, actual membership is always something less than the maximum possible and the degree of support varies from region to region with the lowest levels found in those formed more recently. It is frequently assumed, incorrectly, that membership is indicative of active support for the Regional Development Association and also acceptance of the view that municipalities of a region are economically interdependent. In both new and old Associations many municipalities pay membership fees, but provide little or no active support. They have become members only in the hope of acquiring further industrial assessment or, in some way or other, benefitting from the Government's grant expenditures. Because membership and support are not synonymous, membership data alone are less than reliable as indicators of any vital concern for regional development.

More often than not, membership in a Development Association has been secured and maintained because of persuasion and pressure from one or two local leaders. Without the few key individuals in various municipalities,

the Regional Development Associations could not continue, for they are really dependent upon a relatively small group of leaders within their regions for support.

The membership of the Regional Development Associations consists largely of municipalities, including a few counties. Associations have also appealed to business firms and executives for their financial support through associate memberships. In this connection it is interesting to note that one region (Northeastern Ontario) has very successfully introduced a corporate member section with representation on the board of directors from the group which has resulted in active support and participation of industrialists and businessmen at the zone level.

The Northeastern experiment would seem to negate the fears of some who believe that a corporate members section would lead to a pressure group within the Association. Instead, it seems to marshal the business community behind the Association's program and tends to broaden the businessmen's approach to economic development. We recommend that all Regional Development Associations give serious consideration to introducing corporate member sections. We see great value in integrating the interests and abilities of the business community more fully into the Development Associations.

Attracting associate memberships appears to be the only means of significantly increasing the local financial base, because the limits of municipal support, in the older Association regions particularly, have just about been reached. If the Provincial Government continues to supply funds only on a matching grant basis, the level of available local financial support will be a critical factor in determining the future effectiveness of the Regional Development Associations.

The greatest difficulty in securing and retaining municipal memberships seems to be encountered with municipalities at the extreme ends of the size scale. Large urban centers frequently consider themselves independent of the region and correctly assume that the Regional Development Associations cannot directly assist them to any measurable degree. They have their own chambers of commerce and industrial commissioners and fail to see how an Association, through its regionally-oriented programs can accelerate their economic growth. Small service centers and rural townships, without industry and little hope of attracting any, often fail to see the value of supporting an organization with programs of regional scope not directly tied to their community needs. One or two years of membership without any direct benefits and they consider their views confirmed. The Development Associations have also found it difficult to persuade county governments to take out memberships for they feel that the county is already represented through its constituent municipalities

In our opinion, once a majority of municipalities in a region agree to form a Regional Development Association all municipalities (including the county) should be required to become members of the Association regardless of their views on the matter. Of course there is the initial problem of securing the membership of a majority of the municipalities. The membership support for each Association in terms of municipalities and populations is shown in Table III. Regional Development Association managers and directors often have questioned the wisdom of introducing mandatory membership, believing it would undermine a fundamental element of the entire movement — voluntary, self-help — leading to a loss of local incentive and co-operation. However, we see the need to apply here the principle introduced by the Provincial Government with respect to joint planning

TABLE III

MEMBERSHIP DATA
REGIONAL DEVELOPMENT ASSOCIATIONS
1964

Regional Development Associations	Area (sq. miles)	Number of municipalities	Number of Municipal Members	Population	Percentage of Population in R.D.A.
EODA	10,231	150	33	778,426	58%
NWODA	213,000	46	26	181,090	91%
GBDA	11,500	152	59	300,465	44%
LODA	9,500	106	47	325,508	61%
NEODA	104,650	131	41	444,178	40%
MODA	3,670	78	33	381,739	62%
NRDA	2,170	60	43	805,933	72%
LERDA	3,358	71	21	403,579	55%
SCRDA	2,750	70	29	447,763	30%

areas where once an area board is formed, all municipalities are required to participate. If the Province is really convinced that the Regional Development Associations are worthwile and are of value to the people of the region, then membership should be required of all.

Mandatory membership would serve to relieve substantial demands placed upon managers and staff by the need to continually "sell" memberships in the Association, an activity which now occupies as much as 20-40 percent of their time. Certainly this is an inordinate amount of time to expend on securing memberships and financing.

The membership of municipalities is often lost for a variety of reasons. Local needs and expenditures are seen as more important. The value of the Regional Development Associations is difficult to substantiate, and benefits are frequently intangible. Because of the large regions and limited staff, communication and contacts with the local municipality by the manager are infrequent or non-existent. Local representatives on Zone Committees sometimes are incompetent, are unaware of Development Association activities, or fail to communicate with local officials. Municipalities feel cheated if they do not receive new industry or other demonstrable results of membership. Not infrequently, larger, more stable municipalities are neglected by Development Associations or their membership is taken for granted for a number of years, eventually leading to their withdrawal. Municipalities situated on the fringes of regions feel isolated and removed from the affairs of the Development Association. For reasons of business or other pressures, a key proponent of the Development Association may fail to adequately influence councillors in a given year and a membership is not renewed.

The most common cause of lost memberships centers around changes

in local municipal councils from year to year. With changes in council personnel, supporters of the Regional Development Associations may be replaced by new councillors, the more opportunistic of whom have not been hesitant in the past to use municipal membership fees in the Associations as a political "football" or they are simply ignorant of the basis for the existing membership and see no adequate justification for this type of expenditure.

There appears to be general agreement by both municipalities and Association managers that most, if not all, memberships would have been retained if more frequent contacts between them had existed. This situation emphasized the critical need for sufficient resources to introduce programs of education and to maintain continued communication with municipalities -- especially during the first years in the life of a Regional Development Association.

Even though the problems associated with memberships and fees would be resolved if our recommendations for introducing substantial non-matching grants and mandatory memberships were accepted, there is clearly a need for systematic contacts and internal promotion for another reason. As was stated earlier, membership and support are two different things. The active support and participation in the affairs of the Association by municipalities is of equal if not greater importance than membership. If present conditions continue, the Associations are faced with the dual task of eliciting both membership fees and active support -- public relations activities presently absorbs an approximately half of a manager's time. Many municipalities, upon payment of annual fees, consider their obligations met and wish to be distrubed no further.

Most active support is supplied by municipalities falling in the

medium-size category. Generally, they have a nucleus of both commerce and industry and they appear to benefit most clearly from the work of the Development Associations and consequently provide their most vigorous backers. They seem to feel that they are too small to help themselves very much, in such matters as industrial promotion and that their future growth is linked significantly to the Regional Development Associations.

Without a broad base of representative support the Regional Development Associations will gradually stagnate In many respects the Regional Development Associations do function as region-wide chambers of commerce. For this reason, arrangements should be made in every region for chambers of commerce to appoint committee and board members or representatives to the Development Associations -- as is done in some regions already. They are key organizations in the region's structure and their close co-operation and support is a valuable asset. More businessmen should be persuaded to concern themselves with, and participate in, the work of the Associations. Efforts should be made to interest service clubs in Association programs. Local politicians and officials, and members of the Provincial Parliament should be made aware of the activities and potential of the Development Associations and be sold on lending their support.

Before completing this section on membership and support, some comment should be made regarding the active support which has been furnished the Regional Development Associations by the Provincial Government since 1954. Managers and directors expressed the view that at the time a majority of Cabinet Ministers, in spite of some reservations, did support proposals and programs of the Regional Development Associations for approximately two years. Then interest and co-operation from Government departments began to decline as cabinet personnel was changed and various departments increased their use of administrative regions. Regardless of whether the

various Government departments do or do not actively support the Regional Development Associations, there is a significant degree of discontent and disillusionment with Government on the part of some Associations. They feel, rightly or wrongly, that not only are Ministers, and department and branch officials failing to provide support, but in some cases are refusing even to co-operate.

e) Boards of Directors and Staffs

The Boards of Directors of Regional Development Associations are appointed through the zone structure, each zone nominating from two to four members, depending on the number of zones in the region. The directors of most of the Associations have the authority under their by-laws to appoint an additional number of directors-at-large who they feel can bring added strength and prestige to the Association. A report prepared by the Regional Development division in 1962 states that the Board of Directors if responsible for:

a) Location of the headquarters of the Association.

b) Engaging the General Manager.

c) Deciding on the policy of operation within which the General Manager shall operate.

d) Adopting budget and work program annually as recommended by the General Manager.

e) Encouraging recommendations and constructive suggestions from zone committees to expedite the development of potential in the region.

f) Keeping zones informed of the activity of the Association.

It is clear from viewing their responsibilities that the quality of members of the Board of Directors is a vital factor in the success of the organization. If, for instance, they fail to exercise sound judgment in engaging a general manager, the whole program is likely to flounder.

It is difficult to obtain highly competent directors because there is a limited number of qualified persons in any region and usually the most capable people are already involved in a number of other voluntary organizations.

Another problem is that even Boards of Directors composed of very competent men frequently do not contribute as effectively as they should because they lack an appreciation of the concept behind regional economic development, or they do not see clearly the specific role that the Regional Development Association can play. This reinforces the argument that it is the responsibility of the Provincial Government to provide assistance in the clarification and interpretation of terms of reference as they may best apply to specific regions.

Although the responsibility for the total program of a Regional Development Association rests with the Board of Directors, in practice the directors depend almost entirely upon the manager for direction and initiative. Thus the manager is ultimately the key to success or failure for a Regional Development Association. This is particularly true of the newer Associations. Without a competent manager, the support of a progressive board of directors and the best of local initiative are insufficient to ensure success. The manager must act as leader in promoting the theme of regional development, in marshalling support for the Association, in retaining memberships and fees, in formulating and introducing proposals, in overseeing projects, etc.

To a very great degree the entire effort of a Regional Development Association focuses upon, and revolves around the manager. In the newer regions, which, as yet, lack a broad base of interest and support for programs, the dependence upon the manager is especially strong The voluntary nature of these organizations, their terms of reference and their sources of support

place an overwhelming responsibility for an Association's effectiveness upon the shoulders of the manager.

Regional Development Association managers find that their position brings with it a great many frustrations and occupational hazards. Although their salaries generally are comparable to those offered for similar positions and responsibilities in other fields, the Regional Development Association managers are ineligible to participate in the Ontario Employees Retirement System even though individuals such as secretaries of local planning boards are eligible. The establishment of the Regional Development Associations through an act of provincial parliament would rectify this incongruous situation. The Association's method of financing results in a high degree of financial instability which continually threatens staff positions and programs with extinction. This indeterminate fiscal position also makes any form of long range planning almost impossible for a manager. In formulating plans and proposals he finds he must develop his own program and see to its implementation without the benefit of specific terms of reference or explicit guidelines for any given region, and often without adequate time in which to think of the implications involved.

A manager constantly faces the task of "selling" a rather vague concept requiring municipal expenditures which may be difficult to justify. At the same time he is often unable to point to specific, tangible results of the Association's efforts. Many of his problems concern issues which involve people, personality differences, petty jealousies, etc. In sum, in addition to financial difficulties, a manager frequently finds himself expected to be all things to all men, able to bring to his varied and demanding task the experience, knowledge and technical skills one would normally expect of several men.

The qualifications and background which provide for a successful

manager are difficult to assess in any more than a general fashion. A manager should be a successful "salesman" with an interest in and ability to get along with many different kinds of people and personalities — capable of dealing effectively with businessman, industrialist, and farmer alike. He should be a student of municipal affairs with an abiding concern for the welfare and varied needs of communities, and preferably a person who has been active in local activities on a voluntary basis. He should have initiative, imagination, and a thick skin, that is to say, a "self'starter", with ideas, contageous enthusiasm, and the capacity to resist discouragement. He should be educated or experienced in matters of economics, municipal finance, business and industrial affairs, planning, geography, etc. Where possible, he should be from the region concerned with an insight into the political, economic and social structure of the area. In short, in order to succeed,Regional Development Associations must have as managers men of the highest calibre. However, to be realistic one must recognize that no single individual can meet all the above requirements and it is only through the addition of competent staff that such needs can be met.

We believe that much greater attention should be paid to the training of new managers before they assume their full responsibilities in a region. They should be required to spend a minimum of three weeks in Toronto, in the Regional Development division and elsewhere, investigating the nature and scope of their future responsibilities, the characteristics and problems of their particular region as seen by provincial officials, and the role and resources of particular Government departments, and establishing contacts with various branches and agencies, etc. The Regional Development division should formulate and introduce a comprehensive program of training and orientation to accommodate both new managers and staff. Approximately six weeks should be spent in several Association offices viewing

at first hand the procedures and methods which other managers employ. We strongly recommend a probationary period of nine to twelve months for every new manager. After a manager is established in his region some form of in-service training, possibly through the regional universities, should be made available to refresh, challenge and assist the manager who recognizes the potential benefits of such a continuing program. It may well be that some aspects of these recommendations are impractical. Nevertheless, they do reflect what we see as an urgent need. Some means should be found of implementing the essential elements and providing a more reliable foundation for future managerial positions in the Regional Development Associations. One possible approach would be to appoint as managers men who have served for a time as assistant managers in another region.

f) Regional Development Association Functions

Although the various Regional Development Associations have engaged, over the past ten years, in a wide range of activities related to economic development, they are too numerous to list and tend to fall into several categories. We have chosen to discuss Association programs and projects under the following major headings: (i) industrial promotion, (ii) tourist promotion, (iii) miscellaneous municipal services, (iv) data gathering and research, and (v) representations to Government.

(i) Industrial Promotion

In large measure the Development Associations were created as a means of promoting industrial expansion on a regional basis in an effort to counter the continuous centralization of industry in the Metropolitan Toronto area. It was felt that the attraction of new industry, particularly to the fringe regions of the Province, also would provide the greatest employment

and financial returns in the shortest period of time, and possibly for the least comparable effort and expenditure.

It is not surprising, therefore, that more often than not, industrial promotion in one form or other, has been the focal point for much of the Regional Development Associations' activities. The Associations have sought to attract industry to their areas by acting on the knowledge that the location of industrial firms (whether of new ventures or relocations of existing industry) is determined first on the selection of a particular region. The Development Associations have sought to act as industrial promoters for their respective regions in competition with Metropolitan Toronto and other industrial areas in southern Ontario.

Although their initial concern was to act somewhat as an industrial commission in attracting industry to the region, it was almost inevitable that the Development Associations became involved, to a degree, in the location of industry within the region. The Regional Development Associations have made studies of locational requirements of prospective industries for their region and have assessed the locational assets of municipalities which could meet the particular needs of the industry. The Associations divested themselves of any responsibility for influencing or determining the location of industry in any particular municipality. It did become clear that many, if not most, of the smaller constituent municipalities simply were not capable of handling and "landing" a prospective industry. For that reason, another dimension of regional industrial development was taken on by some Associations in that they sought to act as industrial consultants to individual municipalities, to assist them in learning how to successfully sell their community and its assets to new industrial firms.

Several problems, both internal and external, have been experienced

by the Regional Development Associations in their efforts at industrial promotion. As indicated earlier the larger centers frequently choose to ignore the Development Associations in this sphere of their activities since they have both staffs and programs designed to attract industry. They consider the work of the Association to be of little help or even a distinct hindrance to their own efforts.

The local industrial commissioners resident in these large centers similarly see the Development Associations' activities as a personal threat that jeopardizes their livelihood. The truth is that there is an important role for both the Regional Development Association and the local industrial commissioner; they should complement each other's efforts.

The Development Association should marshal facts from all the municipalities and then "sell" industry on the benefits of locating somewhere in the region. Once a firm exhibits interest in the region, the Association should select those municipalities which best meet the needs of that industry and then turn the industrial contact over to respective industrial commissioners whose job it is to land the industry in their town. Again the task of the Regional Development Associations here seems to be one of co-ordinating programs and efforts to ensure maximum benefits to all concerned.

Both industrial commissioners and Government officials have criticised Development Associations for some of their activities in the industrial promotion field, expressing the view that they lack the technical staff to do anything more than act as general promotional agencies for their regions. There is validity to this criticism for the Associations are understaffed considering the scope of their responsibilities and the large size of their regions. If the Development Associations are to continue becoming involved in all aspects of industrial promotion they will need

additional staff including men with industrial-management or industrial location experience.

The industrial promotion situation is further complicated by the activities of the Provincial Government. The Trade and Industry Branch is increasingly orienting its programs toward a regional approach. The Branch is attempting to convince adjacent urbanized municipalities to pool their efforts in attracting industry to the area. Related to this move toward area industrial promotion, should be the provision of technically-trained field officers in the regions to co-operate closely with the Regional Development Associations in providing technical assistance to those communities which do not have industrial commissioners. In this way the area industrial promotion programs of the Branch could be integrated with the regional industrial promotion of the Development Associations.

Presently, the Trade and Industry Branch is unwilling to provide all industrial leads received in Toronto to the Development Associations. The Branch frequently feels that the Development Associations are inadequately staffed to handle the industrial leads, and are incapable of coping with the fierce inter-municipal rivalry for new industry. Rather, they furnish some leads to the Associations for processing and others they act on themselves, determining which municipalities would best suit the industrial firms and arranging for all contacts and negotiations between them. The Branch does provide many industrial contacts to Regional Development Associations in Northern Ontario, apparently because the area is so large, their own staff is limited and many of the local municipalities are so poorly equipped to handle leads. In effect the Associations are acting as an industrial commissioner for these northern communities.

In our view, there is urgent need for co-ordinating the work of the industrial commissions, Regional Development Associations and the Trade

and Industry Branch whereby the industrial leads would be channelled to the Associations for them to handle directly or pass on to industrial commissioners in the larger centers. In some Development Associations, a sufficient degree of success in this regard was obtained in the past to justify careful consideration of re-introducing this kind of co-operation between the Branch and the Associations.

One problem which will have to be overcome concerns the matter of who received credit for obtaining new industrial establishments. In some instances bitter feelings and jealousies have arisen where the Trade and Industry Branch, an Association or an industrial commissioner has accused one of the others of taking undeserved credit for the location of new industry in a particular region.

This seems to point to a situation which has evolved from the early failure to ascertain or spell out more clearly the respective responsibilities of the Regional Development Associations and departments of the Provincial Government where both are engaged in similar and essentially overlapping activities. Again, where does the responsibility of the advisory and promotional body leave off and that of Government begin when the implementation of programs of economic development is concerned?

So far as the Regional Development Associations are concerned, they have been merely acting to meet existing needs of their constituent municipalities as indicated in their terms of reference. Common sense asserts that all industrial promotion activities should be co-ordinated and complementary. With the continued increase in regional programs of Government departments, this problem is bound to become more acute in this sphere and in others. In our opinion, the original terms of reference imply that the responsibility for resolving the problems of co-ordination rest with the Province.

It would seem that the Province could act to provide technical advice and assistance to the municipalities which lack such resources and experience, and at the same time seek the co-operation of the Regional Development Associations which should be able to aid in establishing both the needs and attributes of particular communities in their region. This entire matter of integrating programs should receive study before the Trade and Industry Branch embarks further on any scheme to encourage municipalities to promote industry on an area basis.

One last problem seems to have evolved with the promotional efforts of the Regional Development Associations. In their desire to achieve a measure of economic expansion as quickly as possible, some Associations have tended to restrict their activities too much to industrial promotion. Consequently, they have been recognized and supported by municipalities for these activities alone, and quite naturally are expected to produce results -- which merely reinforced the industrial promotion bias of their programs. Some municipalities that have continued to support the Regional Development Associations because they were led to believe that the organizations would bring them industry, have been disillusioned when the smokestacks have not appeared. In some cases the Associations have been less than honest by failing to advise these municipalities of their very low potential for attracting industry.

The industrial promotion emphasis by the Regional Development Associations has grown, in part, from the need to show quick results with limited staff and finances. If there is no major change in their functions, and if, as we have recommended, there are increases in financing and staff, the Associations should be in a position to diversify their efforts, broaden their base of support and adhere more closely to their terms of reference as multi-functional organizations.

(ii) Tourist Promotion

Tourist promotion has been another important aspect of the activities of some Regional Development Associations from their inception. In some instances particular Development Associations realized that their greatest opportunities for regional economic growth lay in this direction, since they lacked the industrial location advantages enjoyed by some sections of the province. In other regions, tourist promotion was seen as an activity which complemented efforts at attracting industry and held promise of benefits for sub-areas of that region. The varying emphasis placed on tourist promotion merely reflected the wide range of physical and human resources contained by the nine development regions of Ontario.

For the most part, Regional Development Associations were content to promote tourism on a region-wide basis generally with little emphasis on specific sub-areas. For some Development Associations, promotional activities in the field of tourism simply provided a convenient means of quickly producing some tangible results in the form of maps and brochures and thereby gaining support from within the region for their organization. However, some Associations have engaged in specific projects such as the navigation charts for Georgian Bay, which have produced very definite economic benefits for their regions.

The tourist promotion picture in Ontario was somewhat complicated by the establishment in 1961 of an entirely new set of regional organizations call Regional Tourist Councils. Since that time there has been a commendable degree of co-operation in some regions; in other bitterness and frustration have erupted on both sides. Some cases of controversy were based on financial considerations; really an outgrowth of the fact that both organizations have appealed to the same municipalities and business firms for support. There were instances where less money was raised with both the Associations

alone were seeking support.

Individuals both in and out of the Regional Development Associations have insisted that the work being done by the Tourist Councils could have been carried out more efficiently by the Regional Development Associations since they could have provided leadership, financial contacts and office staff. We believe that there is a definite need for some form of region-wide tourist promotion. In some sections of the province it may be that this function can best be performed by the Regional Development Associations. There is an urgent need for both the Development Associations and Tourist Councils to act together to review their respective activities so that their efforts are closely integrated.

(iii) Miscellaneous Municipal Services

Within the various regions, municipalities frequently appeal to the Development Associations for assistance with a variety of local problems. These municipalities, generally from the small and middle size categories, lack the knowledge necessary for planning and putting into effect projects relating to industrial development, tourism, land use planning, etc. They also encounter a wide range of very localized or inter-municipal problems which they find they cannot solve without outside advice. The Regional Development Associations often provide the needed technical advice and assistance. Also, on occasion, small inter-municipal disputes are settled through the intervention of the Development Association before they assume major significance.

The Associations, to be of value in this area, must maintain the contact which provides them with reliable insights into the attitudes of the people permitting them to quickly observe and deal with municipal and inter-municipal problems. For many municipalities the Regional Develop-

ment Associations provide a needed forum for the airing of local or inter-municipal grievances. In numerous cases the mere process of expressing these views is sufficient to create a climate where problems are easily resolved. The Development Associations often act as a buffer between these communities and the Provincial Government, absorbing a myriad of local and regional difficulties which otherwise would probably require the intervention of the Province.

For the most part, the value of these advisory and troubleshooting activities of the Associations remains unrecognized. In at least one region (Eastern Ontario) this type of activity is the basis for much of the support which the Association is given by smaller municipalities. Frequently the Development Association is the only agency with an intimate knowledge of their peculiar problems.

In this general area of municipal problems the Regional Development Associations can make a major contribution if they have the staff and financing. Until the Province introduces sufficient regional field services, the Associations could provide advice in some matters and bring problems beyond their scope to the attention of particular Government departments. The success of such an approach will depend, of course, on the willingness of the various departments to co-operate. Once Government departments have established adequate field representatives and services, there should be close co-ordination with the Regional Development Associations to ensure integration of their efforts.

In their attempts to assist communities the Regional Development Associations encounter numerous municipal problems with roots in land use planning needs. A majority of municipalities, especially in the small and medium-size categories, appear to find themselves facing difficulties of varying degrees in this area. Almost all lack technical staff, knowledge,

and experience to deal with their problems, regardless of how insignificant they appear in relation to the large-scale difficulties encountered by bigger urban centers. The Regional Development Associations recognize that the problems exist and that assistance is needed. At the same time, they recognize that they do not have the resources required to be of help.

On the regional and zone level, Development Associations have expressed interest and concern for instituting land use planning on a regional basis. One of the most important contributions that can be made by Regional Development Associations is in the provision of a regional forum for municipalities. In this way it is possible to focus attention on planning problems common to many communities and the urgent need for an area-wide approach to land use planning. In no small measure the promotional activities of the Associations in propagating regionalism and regional approaches to development problems have assisted in some regions in making "area planning" in Ontario politically feasible. Although little credit may be received by the Development Associations for such efforts — as is true for many projects originating with the Associations — they should consider the long range results of vigorously encouraging municipalities to jointly attack land use planning problems. In our opinion this could well be one of the most significant accomplishments of Regional Development Associations.

(iv) Data Gathering and Research

Although some Regional Development Associations have made commendable efforts in the past at data-gathering and regional study of needs and resources, generally the coverage has been incomplete, fragmentary and non-analytical. This aspect of the Associations' functions has been curtailed or almost completely neglected because budgets and staff have been inadequate to support such projects.

Basic information about physical and human resources and development potentials are needed by various municipalities and organizations concerned with regional economic development. A thorough systematic analysis of each region — possibly using the existing Regional Development divisions as a start — is needed immediately. Presumably the results could provide the basis for an overall plan of development. In this connection, the Regional Development Associations could be of assistance to the Government in providing some data-gathering and analysis services if given the necessary resources. Perhaps an even more important function of the Associations would be the task of continually up-dating regional inventories for themselves and the Province.

(v) Representations to Government

At the introduction of the first Regional Development Association, the Province expressed interest in having Associations submit recommendations and proposals pertaining to regional economic development needs. Apparently no particular procedure was set forth as to who was to receive such briefs — the Prime Minister, Cabinet, individual Ministers or their deputies. In any event, during the early years, comprehensive briefs reviewing many local and regional problems and proposals for Government action were presented regularly to the Cabinet and later to the Prime Minister. Although in some instances positive benefits were obtained from these presentations, in general, the Associations felt that the response from the Provincial Government was less than satisfactory. The Province frequently considered the briefs to be too general, their tone too negative, and the problems submitted too petty. In recent years the Regional Development Associations have continued to submit briefs, but less frequently, and more often relating to a specific need and addressed to a particular Minister.

However, the Regional Development Associations agree in feeling that these briefs are sometimes less than welcome, generally receive insufficient consideration, and produce few tangible results.

In our opinion, the Government is neglecting an excellent opportunity to be continually made aware of just what is happening in the various regions of the province and to learn of the needs, attitudes, ideas and constructive criticisms of the people. With some adjustment of method and approach on both sides,the Regional Development Associations could be used very effectively, to their mutual advantage, as a significant channel of information and ideas between the people and their elected representatives.

It is in this way that the Regional Development Associations can perform a very valuable function -- regardless of changes in regional structure or in Government programs for economic development. Essentially the Associations, as non-political, non-partisan organizations, would seek to present as objectively as possible the existing economic conditions and needs of their respective regions thus including something more than just a series of specific but limited proposals for action by Government. The Regional Development Associations are the only broadly representative groups in the province in a position to reflect, on a regional basis, the views and needs of the people. They should be encouraged to sit down with Government officials to establish the framework and terms of reference for performing the services suggested here.

2. Regional Tourist Councils

a) Origins and Terms of Reference

In 1946 the Department of Travel and Publicity (now Tourism and Information) was created to give guidance to the tourist industry which had

grown to the point where it was recognized by Government as an important segment of the provincial economy.

The chief concern of the Department of Travel and Publicity was to upgrade the quality of tourist accommodations in the province and to provide tourists with better and more detailed information about the various tourist regions. In attempting to do this, the department discovered that in many parts of the province it was hampered by a lack of tourist organizations at the regional level in which tourist operators could meet to coordinate their efforts, and to which the department could communicate its ideas and intentions.

It was not until the late 1950's that the Department of Travel and Publicity defined Tourist Regions and encouraged and assisted the formation of active organizations to be known as Regional Tourist Councils. These were to be comprised not only of operators of tourist establishments, but also of businessmen who directly or indirectly benefitted from the industry, as well as representatives of municipalities and local groups.

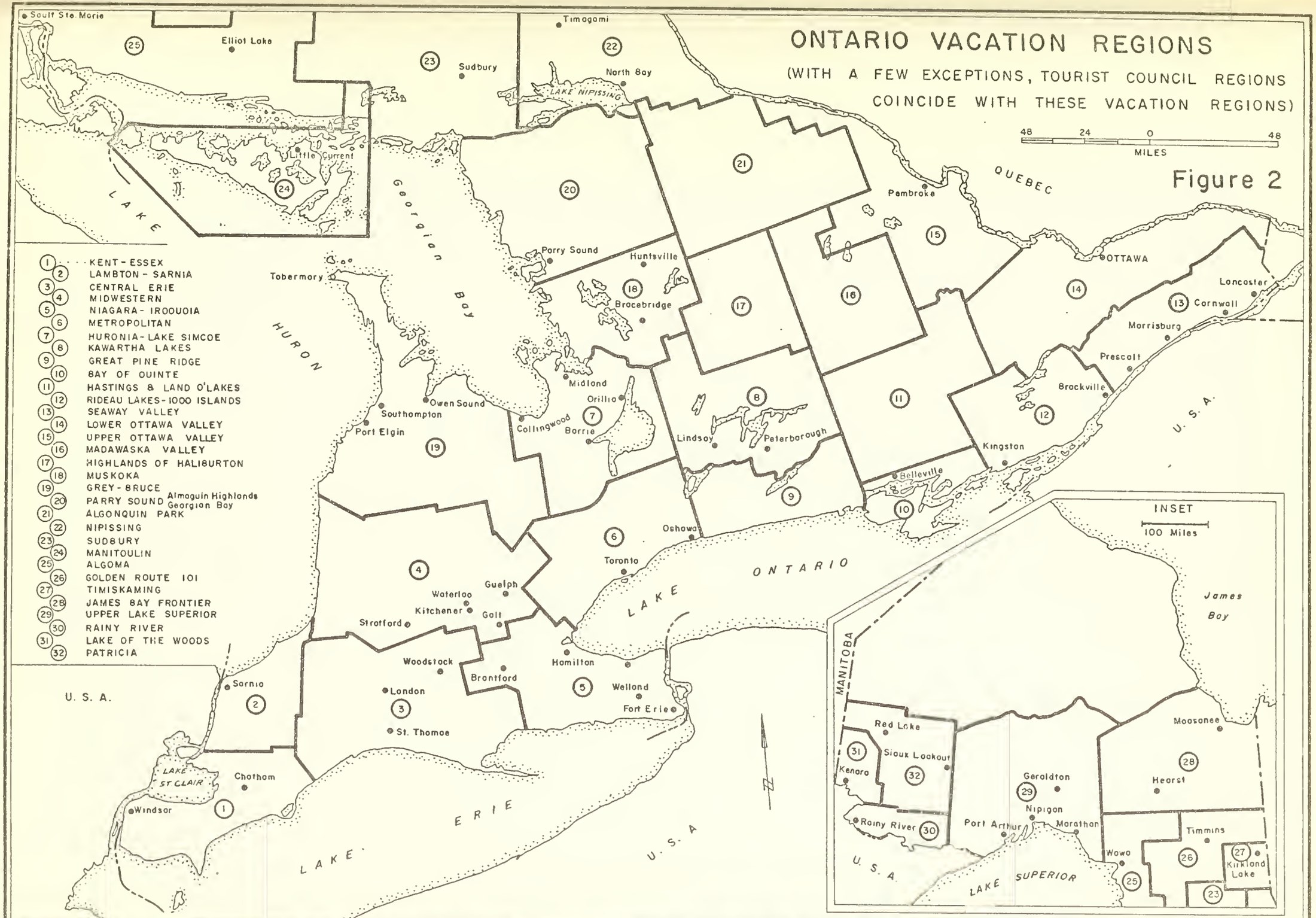
In 1961 the Government passed legislation authorizing matching grants of up to $5,000 per annum to be paid to Regional Tourist Councils. Some previously existing tourist associations, such as Muskoka and Huronia, became the nucleus of new Regional Tourist Councils; other tourist associations joined forces to form Regional Councils; while some Regional Tourist Councils were formed in parts of the province where no tourist associations had existed and where tourism was not considered as an important sector of the regional economy. To date there is a total of thirty Regional Tourist Councils. With a few exceptions, the names and areas of these Regional Councils correspond basically with those of the Ontario Vacation Regions (Fig. 2).

continued on inset

ONTARIO VACATION REGIONS

(WITH A FEW EXCEPTIONS, TOURIST COUNCIL REGIONS COINCIDE WITH THESE VACATION REGIONS)

Figure 2



The Travel and Publicity Amendment Act that authorizes the establishment of and grants to the Regional Tourist Councils does not stipulate the functional terms of reference of the organization. However, an unsigned and undated mimeograph paper produced by the Tourist Industry Development Branch states:

> The functions that a regional tourist promotion group could perform can be thought of as consisting largely of activities in the following fields:
> 1) To provide a forum for an exhcange of views about local problems and to provide an organized voice for tourism in the region;
> 2) To spearhead the development of local features and attractions and activities;
> 3) To promote tourist resources of the region;
> 4) To act as a liaison group with legislative bodies of Government, municipal, provincial, federal;
> 5) To undertake local research projects to determine the best ways and means;
> 6) To co-ordinate the development and promotional efforts of local groups.

b) Regional Boundaries

The boundaries of the Regional Tourist Council areas were delimited by the Department of Travel and Pulicity (now the Department of Tourism and Information). In a number of instances regions were outlined which, prior to 1961, were firmly established as organized tourist areas (e.g. Muskoka) or were clearly in the process of evolving some degree of functional unity related to tourism. Other regions apparently enclosed areas which demonstrated relatively little uniformity or cohesion; either they had little potential for regional tourist development or they contained distinctive subregions with quite different tourist resources and few common interests. Some adjustments to regional boundaries were made after 1961 but there are still Tourist Council regions which appear to be less than satisfactory for the intended purpose.

In Eastern Ontario, for example, there seem to be too many Tourist Councils to promote tourism adequately for the whole region. Recently in Eastern Ontario they have formed an association of Tourist Councils in an attempt at overcoming this problem. In other parts of the province secretaries of Tourist Councils complained that their regions were too large and included tourist areas that had nothing in common with one another. One particular complaint was expressed about a boundary that divided a united county, resulting in little or no support from that county for either Tourist Council.

In general, Tourist Council regions were drawn with little consideration for the location of Regional Development Association boundaries. Because of the common interest of these two organizations in tourism, it would seem advisable to delimit their boundaries in a manner that would be mutually advantageous and would facilitate co-ordination of their efforts.

The Niagara and Midwestern regions provide examples where the boundaries of the Regional Development Association and the Regional Tourist Council are coincident. With regard to the Midwestern region, it is interesting to note that originally the Midwestern Regional Tourist Council was formed and functioned as a committee of the Midwestern Regional Development Association and for some time used the Development Association's office and staff.

Not only do the boundaries of the Regional Tourist Councils lack coincidence with those of the Regional Development Associations, but they also lack coincidence with the boundaries of the administrative regions of the Department of Tourism and Information. In fact, some of the departmental administrative region boundaries cut right through the middle of Tourist Council regions.

It seems clear that the size and shape of Tourist Council regions should receive careful consideration, with a view to realignment of boundaries where advisable, in order to provide more suitable regions in the light of the experience of the Councils, the need to co-ordinate with other organizations, and the patterns of resource development that are evolving.

c) Financing

The Province provides an annual matching grant of up to $5,000 to each Regional Tourist Council. Originally all of the Provincial grant had to be used for actual tourist promotion; none could be used to defray Council administrative costs. In a number of cases this reduced the effectiveness of the Councils because their ideas and programs were not implemented owing to a lack of administrative funds. In 1963 an additional non-matching grant of $500 was introduced to stabilize, to a degree, the Councils' financing by furnishing funds for administrative purposes. Although this outright grant is helpful, it falls short of meeting the actual administrative needs of Tourist Council operations. Particularly during their early years, and in those regions where Councils are struggling to gain internal support, the Province should consider increasing its administrative grants.

The Regional Tourist Councils finance their operations through memberships obtained from a variety of sources: tourist operators, business firms, chambers of commerce, county and municipal governments, private individuals, etc. At present, few Councils are achieving their maximum matching grant figure which would provide a total budget of approximately $10,000. Some of those meeting the full grant requirements have been Councils superimposed upon already active and well established tourist associations as in the Muskoka Lakes and the Thousand Islands districts. Others evidently have used somewhat devious methods for qualifying for

the maximum annual grant. The Midwestern Regional Tourist Council claims its full provincial grant by counting existing contributions made by constituent municipalities to the Stratford Festival as a substantial part of the funds raised by the Council. It would seem that the acceptance of such a procedure lessens the chances of obtaining area-wide financial support and interest from new sources.

In some regions tourist operators have been reluctant to support the Tourist Councils, adopting the position that area-wide tourist promotion is the responsibility of the Province through the Department of Tourism and Information or of the Regional Development Associations. There is increasing competition between the Councils and the Development Associations for municipal memberships and fees. It has been suggested by some Tourist Council officials that the municipalities channel their funds to the Regional Development Associations for use in area-wide promotion while tourist operators and interested businessmen direct their support to the Regional Tourist Councils. Such an arrangement would seem both feasible and wise in light of present circumstances.

In many respects the Regional Tourist Councils face the same problems as the Development Associations with regard to financing. Principally, they must seek for financial support without being able to demonstrate clearly the potential or actual return from the investments. It is the same situation of requiring results in order to obtain support and in the same instance, needing support in order to obtain results.

d) Membership and Support

Regional Tourist Councils have encountered just about the same problems as the Regional Development Associations with regard to securing and retaining memberships and eliciting sufficient active support for their

projects. Again, the major difficulties stem from a need for substantial and continuous public relations and educational programs. The proven or potential worth of a Council's efforts to develop and promote an area's tourist resources must be conveyed to tourist operators as well as to businessmen and merchants if it is to be successful.

In some regions it seems at present that most support comes from tourist operators; in other regions it comes largely from individuals who have no direct connection with the tourist industry but have an interest in all phases of regional economic development — stemming often from the missionary work of the Regional Development Associations. Some Tourist Councils have received very little support, having obtained memberships from only five to ten percent of the total number of tourist operators. To a degree this situation reflects the relatively short period these organizations have existed and the inexperience of Council directors.

Secretaries and directors in a number of regions have indicated that they have been forced to spend far too much time in attempts to enlist new members into and retain old members in the organization In some instances, the efforts and costs incurred in membership drives have practically offset the benefits obtained from having an enlarged membership.

In cases where a Tourist Council Region embraces a number of previously existing tourist associations, there is often difficulty in obtaining support from the tourist operators for both organizations. Sometimes the secretary of the tourist association collects fees for the Regional Tourist Council at the same time as he is collecting membership fees for the local association. In this competition the regional organization usually loses out because the tourist operator is more inclined to support the organization that produces brochures focusing upon his local municipality and even including advertising for his own tourist establishment.

Without permanent staff, the Councils must depend on voluntary workers to canvass for memberships. This task has been a difficult one in regions where the potential for development is relatively low or where little has been done as yet to evolve a sense of regional interdependence. The problems encountered in getting individuals to do this job has led in some areas to the introduction of "fee-splitting" whereby the canvasser receives a certain portion of the membership fees he obtains. Even this questionable expedient has produced relatively low dividends.

The problems posed by public apathy and lack of understanding or appreciation for the usefulness of the Regional Tourist Councils has placed them in a position similar to the Development Associations where active support is difficult to obtain. Very often members of various kinds are willing to pay fees but have insufficient interest in the organization to participate in the work of the Council.

This unwillingness to support a regional organization stems in large part from the generally parochial point of view of most of the public and its lack of appreciation of the regional concept. All regional organizations should join forces in a concerted drive to educate the public on the benefits of attacking regional problems on a regional scale.

e) Leadership

Since they are not in a position at present to hire full-time staff, the Regional Tourist Councils must depend on the voluntary efforts of various individuals within their regions. The absence of adequate financing for administrative purposes has had unfortunate consequences for the work of the Councils. Without permanent staff, particularly during the early growth period, they have suffered from a serious lack of sufficient qualified leadership. In one instance, a brochure advertising ski resorts

in the region was not completed and distributed until after the ski season was over because there was no staff to carry out the project and there was insufficient voluntary help.

The Regional Tourist Councils would benefit greatly from having a full-time secretary-manager to help in preparing, co-ordinating and implementing development and promotion programs for the region.

Under present conditions, the leadership problem remains as one of the most severe limiting factors in the effectiveness of many Tourist Councils. There simply are not enough qualified people in the tourist industry with sufficient time to do all the necessary jobs on a voluntary basis. Greater efforts should be made at enlisting the assistance of businessmen and other community leaders in the work of the Councils. It is true, however, that the people with leadership capabilities are already very active in many other municipal and regional organizations.

It is important that representation on the Regional Tourist Councils be secured from all segments of the business community and from all sections of the region. In many instances this widespread representation is lacking. Without it, the support necessary for introducing enlarged programs of regional and inter-regional promotion and development will not be forthcoming.

f) Regional Tourist Council Functions

The first project of most Tourist Councils has been the production of a brochure advertising the tourist attractions of their region. Some brochures have been extremely well done while others have left much to be desired. In most cases the Government grant has resulted in the production of much improved brochures. Regional brochures are useful for creating among tourist operators a sense of interdependence and regional identity.

A program of internal education, as with the Regional Development Associations, is a very important function of the Tourist Councils. With the exception of those areas which have a history of organized tourist promotion efforts, the Councils must devote substantial time, effort, and money in building a base of support within the region.

In their efforts at promoting tourism in their regions, the Tourist Councils have engaged in a number of projects. Many have set up effective displays at the annual Sportsman's Show in Toronto. Some have sponsored special events such as carnivals and fishing competitions. Others have published booklets containing excellent historical and geographical descriptions of their region.

Underlying the promotional efforts of the Regional Tourist Councils is the idea that they are successful if they can both attract tourists to and keep them in the region. Tourists can be kept in a region for a period of time only if there are interesting things to do and see. Therefore, an important aspect of Regional Tourist Council activities is to encourage the actual development of tourist resources. The encouragement and assistance in developing tourist attractions in the Huronia Tourist Region could very profitably be emulated in other tourist regions. We recommend that all Tourist Councils increasingly emphasize the tourist resource development aspect of tourist promotion, instead of concentrating almost entirely on various forms of advertising. Each Tourist Council should take on as a long range project at least one major project that would function as a focal point for the region in their tourist promotional work.

One of the basic needs facing the Tourist Councils at present is the need for more knowledge about their own regions and in particular the actual potentials for tourist development. In many of the Council regions, especially those which had no tourist organization prior to 1961, relatively

little is known about the tourist assets of the area. A program of research should be initiated to determine not just the development potentials for various regions, but also a method for measuring the results of tourist promotion efforts and for predicting the implications for the tourist industry of new highways, provincial and federal parks, and local tourist developments.

By-and-large, Tourist Councils have worked as independent organizations, and have neglected to co-ordinate their activities with and enlist the support of other organizations interested in the tourist trade, such as Chambers of Commerce and Regional Development Associations. Instead, they often seem to consider other organizations interested in tourism as competitors.

It is particularly essential that the Regional Tourist Councils and the Regional Development Associations begin discussions immediately that will straighten out their respective positions with regard to tourist promotion in order to assure that their efforts are complementary instead of competetive. At the moment, there is a serious problem in the lack of communication and understanding between them — most of which could be eliminated if past injuries were forgotten and a serious effort made to see one another's point of view. There is an urgent need for both of these organizations to work together for the benefit of the regions which both seek to serve. The assignment of functions or activities agreed upon by these two groups may vary from region to region as conditions warrant. It may well be that the Regional Development Association could be given responsibility for region-wide tourist promotion covering two or more Regional Tourist Council areas.

In addition to attempting to achieve a greater degree of co-ordination with the Regional Development Associations, the Tourist Councils

also should give attention to co-ordinating their own efforts more closely. To a large degree they function quite independetly of one another. It would appear that, in some sections of the province, they can mesh their efforts and act jointly to develop particular inter-regional attractions or promotional literature. Through the Ontario Travel Council, a group representing all Regional Tourist Councils, it should be possible to encourage co-operative ventures, to exchange ideas and to seek for solutions to common problems.

In summary, it is clear that there is an important role for organizations such as Regional Tourist Councils. While it is the Provincial Government's responsibility to attract tourists into the province, it is the Tourist Council's job to attract those people to the region, leaving to the local tourist associations and individual tourist operators the task of luring the tourists into their own resorts or establishments.

In many cases, Regional Tourist Councils have helped co-ordinate the diverse efforts of a number of associations and individual tourist operators into a more effective tourist promotion program. With adjustments in boundaries where needed, with sufficient financial support to permit the engaging of full-time staff, and with much closer co-ordination of programming with Regional Development Associations and other organizations, the Regional Tourist Councils could contribute even more significantly to the economic growth of the various regions of the province.

3. Joint Planning Boards

For many years municipalities have been carrying out numerous planning functions under the Planning Act with varying degrees of success. Where urban development spreads across a number of adjacent municipalities, it is essential to co-ordinate the planning functions of these municipalities

in order to avoid costly duplication in the provision of services, and to avoid conflicting policies and programs that tend to negate one another and generally create an urban community that is uneconomic to administer and inconvenient to live in.

The method most commonly used to co-ordinate planning functions of adjacent urban municipalities has been the creation of Joint Planning Areas. Under the provisions of the Planning Act, 1955, the Minister of Municipal Affairs, upon application of two or more municipalities or upon his own initiative where he sees that it is in the interests of the area concerned, may define and name a planning area. The Joint Planning Board of such an area is comprised of non-elected and council members appointed by the constituent municipalities.

There is no standard constitution for Joint Planning Boards, nor do they have any legislative or regulatory authority. They have the same advisory duties as individual municipal planning boards as stipulated in Section 10 of the Planning Act:

> (1) Every planning board shall investigate and survey the physical, social and economic conditions in relation to the development of the planning area and may perform such other duties of a planning nature as may be referred to it by any council having jurisdiction in the planning area, and without limiting the generality of the foregoing it shall,
>
> a) prepare maps, drawings, texts, statistical information and all other material necessary for the study, explanation and solution of problems or matters affecting the development of the planning area;
>
> b) hold public meetings and publish information for the purpose of obtaining the participation and co-operation of the inhabitants of the planning area in determining the solution of problems or matters affecting the development of the planning area;
>
> c) consult with any local board having jurisdiction within the planning area;
>
> d) prepare a plan for the planning area suitable for adoption as the official plan thereof and forward it

to the councils of the municipalities affected thereby, and recommend such plan to the council of the designated municipality for adoption;

e) recommend from time to time to the councils of the municipalities in the planning area the implementation of any of the features of the official plan of the planning area;

f) review the official plan from time to time recommend amendments thereto to the council of the designated municipality for adoption.

(2) No plan shall be recommended for adoption unless it is approved by a vote of the majority of all the members of the planning board.

The provisions of Section 5 of the Planning Act give the Minister the power to vary the procedures, powers, and constitution of any planning area as seems necessary and as he sees fit.

A Joint Planning Board submits its budget needs to the councils of the respective municipalities. When the Joint Board's estimates are approved by the councils representing more than one-half of the population of the area, then the estimates are binding upon all of the municipalities within the area. This overcomes the difficulty of having some municipalities not being "paid up" members and still reaping the benefits of the organization as is the case with the Regional Development Associations.

Once a Joint Planning Board has drawn up an official plan which is adopted by the majority of municipal councils within the joint planning area and is ratified by the Department of Municipal Affairs, the actions of all the constituent municipalities, including official plans and zoning by-laws, must conform to the area plan. Thus, in theory, joint area planning would appear to be quite effective.

However, theory and practice are often two different things. One basic weakness of the joint planning area approach for solving regional planning problems, has been the reticence of the Minister to take the initiative in designating adequately sized planning areas based upon common

social and economic needs. Comprehensive studies have been undertaken by the Community Planning Branch, but the Minister has on a number of occasions failed to act on the recommendations contained in these studies. On the other hand, local autonomy, inter-municipal jealousies, and the lack of vision displayed by municipal leaders have prevented municipalities from joining to request an adequately sized planning area.

Consequently there are many Joint Planning Areas in which the boards find actual planning very difficult because their area of jurisdiction covers only a portion of a single, functional, urban unit. Often no control can be exercised over factors outside the planning area that are the prime generators of various types of development within the planning area.

Not only are joint planning areas often not rationally delimited, but almost all of them suffer from lack of funds and lack of professional technical staff. Without a permanent planning staff, or alternatively, planning consulting firm, to provide continuing research and advice, Joint Planning Boards often do not carry out the required basic surveys nor draw up an official plan, and thus do very little real planning at all.

It is a continuous problem to find capable citizens to serve on both individual planning boards and on Joint Planning Boards. The relatively few people with leadership abilities are called upon to serve not only on planning boards, but also on municipal councils, Regional Tourist Councils, Regional Development Associations, and other organizations.

Recent developments indicate that the Department of Municipal Affairs is encouraging larger joint planning areas and is suggesting that the boards of these larger areas take on certain regional promotion functions. For instance, the recent Waterloo County Report prepared by the Community Planning Branch stipulates that the proposed County Planning Board, in addition to carrying out the usual planning functions, shall prepare "sub-

missions on behalf of the municipalities ... for presentation to provincial and federal levels of government respecting matters of concern to the Waterloo Area."

Thus, if the County Area Planning Board is created as recommended by the Community Planning Branch report, it will take on both regional promotion functions, and liaison with Government that are now the responsibility of the Regional Development Association. Undoubtedly, with greater funds and with the authority delegated through the Planning Act, the County Planning Board will become a much more powerful organization than the County Zone Committee of the Regional Development Association.

It is not difficult to foresee the County Area Planning Board assuming some of the responsibilities for the economic development and promotion activities now carried out by the Regional Development Association. There is irony in this situation, for the Regional Development Association has in the past devoted considerable time and effort in encouraging the municipalities to engage in regional planning activites.

It would seem possible and desirable that where county planning is established, the County Area Planning Board could assume the functions of the County Zone Committee of the Regional Development Association. In this way the county would not be withdrawing from the Regional Development Association but would change its method of appointing members to the Association (i.e. Area Planning Board members would become members of the Regional Development Association).

Of course, if the Community Planning Branch and the Regional Development division were to be amalgamated as suggested in a previous section, the combining of economic and physical planning functions at the local level would be greatly facilitated.

In summary, the Ontario legislation is sufficiently flexible to

permit regional planning. There is no mandatory requirement that it be undertaken; there has been little rationale for most of the units designated; and for various reasons Joint Planning Boards have been generally ineffective. There are, however, encouraging signs that the weaknesses in the regional planning processes in Ontario are to be corrected, but in so doing, there is likely to be overlapping with the functions of other regional promotion organizations.

IV

RECOMMENDATIONS

The general picture that emerges from an examination of regional development programs in Ontario is that there is no coherent pattern. At the provincial level, at the regional level, and at the local level there is evidence of considerable overlap in the activities of Government departments and agencies, and regional and local organizations. There is also evidence of a lack of, or considerable confusion about, developmental policies and programs.

Historically, it appears that there have been inadequate adjustments in the attitudes and organization of the Provincial Government, and insufficient changes in the structure of local government to meet the rapidly changing regional needs of a province undergoing almost explosive economic growth accompanied by radical shifts in social and economic patterns. The three tier government organization has neither been able to solve adequately the complex problems resulting from rapid urbanization in some areas, nor to provide effective concerted regional programs of economic development in the slow growth parts of the province.

As was discussed in Section II, the Provincial Government has responded to changing economic conditions and regional needs in a variety of ways. Some of these involved reorganization of Government itself; others the establishment of departmental administrative regions and an increased use of these regions for implementing programs; still others the encouragement and assistance to municipalities to form regional organizations to help solve regional problems. No one concept, no single thread, and no overriding idea has been evident in this sequence of activity. In fact, by pursuing many avenues of unrelated adjustments and activities, the situation has been in some respects worsened, due to overlapping responsibilities, contradictory purposes, and confused jurisdictions.

Recommendation Categories:

There are many kinds of recommendations that might be made with respect to regional development. The possible recommended courses of action may be divided into three categories:

1. Retention of the status quo regarding Provincial Government organization but with the establishment of machinery and policies that will facilitate co-ordination of various Government department programs.

 Retention of the status quo regarding municipal structure and regional development organizations with only minor changes to increase the effectiveness of the present regional development programs.

2. Some reorganization of various Government branches dealing directly with regional development, and rationalization of administrative regions at the provincial level.

 Readjustments at the local level such as (i) strengthening

county government, (ii) adjusting municipal boundaries and (iii) increasing co-ordination or even amalgamating organizations such as Regional Development Associations, Regional Tourist Councils, and Joint Planning Boards.

3. Major reorganization of Ontario Government departments, branches and agencies related to municipal affairs and economic development and extensive reorganization of municipal structure and jurisdiction.

Recommendations Relating to Government Co-ordination

Because regional economic development and planning necessarily involve a number of Government departments, there can be no really effective development program unless there is co-ordination of policies and programs of those departments. Since the Cabinet is the ultimate co-ordinating body of the Provincial Government, we feel that there is an urgent need to establish again a Cabinet Committee similar to the Committee on Conservation and Land-Use, with broadened terms of reference to include all aspects of regional economic development. In making this recommendation, we are quite aware that this Cabinet Committee will not work unless the Prime Minister and his Cabinet Ministers are convinced of the need for co-ordination and are willing to take responsibility for ensuring that Committee policies are implemented. (See discussion on Interdepartmental Committees in Section II).

One of the major projects of this proposed Cabinet Committee on Regional Development would be to formulate a Provincial Development Plan containing major policy statements relating to regional economic development and regional planning. This Plan should establish a generalized land-use plan for the province containing broad categories such as urban, prime

agricultural, recreational, etc. With such a master plan adopted by Cabinet, much of the need for committee work in order to achieve co-ordination would be eliminated. A Provincial Development Plan would also facilitate co-ordination of Provincial long range planning with that of the regional organizations and local municipalities.

As with all plans, the Provincial Development Plan should be constantly reviewed in the light of changing technology, and economic and social patterns. The Plan could be more precise when dealing with the immediate future, less precise when dealing with the distant future. A twenty year Plan in detailed form for the first few years only, would appear to be appropriate, with a one year extension of the Plan each year.

We wish to emphasize that, regardless of what organizational reform is carried out, and regardless of how it is achieved, it is most essential to co-ordinate Government department programs and to formulate co-ordinated major Government policies as they relate to regional economic development and regional planning. It is our opinion that this urgent need for Government co-ordination of policies and programs could be achieved, in part, through a Cabinet Committee and a Provincial Development Plan.

Recommendations Relating to Effectiveness of Present Regional Development Programs

In Section III of this report, a number of recommendations fall into the first category (i.e. no basic change regarding organization). For example, many of the recommendations and suggestions dealing with Regional Development Associations were made on the assumption that these organizations will remain basically as they are now.

We do not wish to summarize again these recommendations in this section. However, we do wish to state that we recognize that many of these minor recommendations do not go to the crux of the problem.

Recommendations Relating to Provincial and Local Government Organization

The specific major proposals made in this section fall into the second category of recommendations and are a synthesis of a number of proposals and suggestions made earlier in the report. We consider these recommendations to be an interim course of action that should ultimately lead to category three, which includes major reorganization of Government at the Provincial level, and a move to regional government at the local level.

In effect, we are recommending that Ontario adopt a transitional system that will (1) enable the Province to obtain maximum advantage from its present regional programs and at the same time (2) will permit the Province to set the stage for the evolution of provincial and local governments into a structure that more nearly conforms to the realities of twentieth century economic and social life. Although we recognize that the ultimate solution for our regional economic growth problems in Ontario is the introduction of a governmental framework which includes effective regional government, it is not reasonable to expect that this stage can be reached immediately owing to the need for a preliminary massive research program delving into basic social and economic factors. The transitional stage that we are recommending can be initiated at once, and, in our opinion, it would result in significant benefits in the immediate future, while at the very same time it would provide the means for achieving the ultimate goal.

We recognize that there could be many variations and adaptations of the recommendations we are making. We also are ready to admit that a more exhaustive and penetrating study might reveal major flaws in our arguments. We hope that they will be considered as ideas worth very careful consideration.

Specific Major Recommendations:

1. Strengthening of county governments as a first stage in establishing effective regional government units.

Although the county (or district) in many cases may be far from the ideal regional government unit for the purposes of implementing regional economic development programs, we believe that it provides a politically feasible first step in achieving the best possible solution. The county is a recognizable territorial and political unit with deep historical roots. It has traditionally been the intermediary level of government between smaller local municipalities and the Provincial Government. Some Government departments already use the county for regional administrative purposes and there are indications that the Provincial Government is encouraging greater responsibility for the county. The Select Committee on the Municipal Act and Related Acts has also recommended the strengthening of county government as a step toward regional government. Also of great importance are the recent trends of revitalization of county government coming from the grassroots level.

In order to strengthen county government and have it deal effectively with problems affecting the whole county region, it would appear to be necessary to put the cities and towns back into the county system. The method of representation on county council would have to be changed so that the councillor's first loyalty and responsibility would be to the region rather than to a particular constituent municipality. Some method must also be found to provide for greater continuity of political leadership than the annual election of the warden to what has become largely an honorary position. Having done that, it would be possible gradually but increasingly to take responsibilities with regional ramifications away from the local municipalities and bestow them upon the county government.

2. Adjustments to county and other municipal boundaries.

Because county (or district) boundaries in a large number of cases do not conform with present economic and social patterns, it is essential to make major adjustments in these boundaries in order to make the county units more useful for statistical data gathering and analysis, and more realistic regional government units. The process of relocating county boundaries could be carried out concurrently with the strengthening of county government.

Some of the county boundary changes will necessarily be substantial, and in some cases may require merging of two or more counties. It is highly probable that the districts of Northern Ontario would have to be divided into sub-units. There would appear to be no valid reason why such adjustments should not be made. There is precedent for such action. In the past there have been changes in county boundaries and counties have been joined to form single administrative units.

The creation of these new county units should be carried out with great care so that they could be retained for a sufficient period of time to facilitate trend analysis. They should be delimited with a view to being grouped into broader regions for various purposes, and being combined to form larger regional government units in the future. In other words, insofar as possible, the new county units should not only be useful for today's needs, but should serve as long term "building blocks" for whatever regions may be required in the future.

At the same time there should be a complete analysis of the boundaries of the constituent municipalities within the county in order to devise more functional rural and urban local municipal units. Since the new county units would be taking on all functions with economic development ramnifications for the whole area, the local municipal units should be as

homogenous as possible in order to simplify the purely local services that will be provided. For example, the urban municipality should be predominantly urban; the rural predominantly rural. Within the rural area, where possible, predominatly agricultural areas should be in municipalities separate from areas based upon other resource utilization (e.g. forestry, mining, tourism) because of their differeing local needs.

All of this would, of course, involve basic research and study by economists, political scientists, planners, economic geographers and others. It is strongly recommended that such basic research be started as soon as possible. Without a basis of fact, it will not be possible to make the municipal boundary adjustments so fundamental to the municipal structural and jurisdictional changes that must be carried out in order to facilitate the needed programs of regional economic development.

Once municipal boundary changes were made, it would be absolutely necessary to ensure that the new boundaries for local municipalities did not become static, but that they be adjusted almost automatically with changing growth patterns. For instance, if the principle were established that all urban development must be included within an urban municipality, then a city's boundaries would automatically be extended when growth occurred at its edge.

3. The formation of County Development Boards.

We recommend that County (or District) Development Boards be established for the new county (or district) units as a means of co-ordinating the efforts of the existing Regional Development Associations, Joint Area Planning Boards and Regional Tourist Councils. Such an advisory board would be responsible for advising municipal councils within the county on all aspects of economic development and community planning.

There should be special subcommittees of the County Development Board to deal with various aspects of economic development such as industrial promotion, tourism, rural development, urban growth, etc. In this way, those most vitally concerned with certain aspects of development could serve on the appropriate committee, but the overall board would assure that programs and activites were not contradictory. For instance, executive members of the existing Regional Tourist Councils could very well constitute the County Development Board's tourist promotion committee. The same procedure could be used for ARDA and other similar organizations.

The County Development Board should become a major communication link between Provincial and local government. It would simplify the Provincial Government's job of informing and advising municipalities and would permit the municipalities to speak with a unified voice respecting matters of concern to part or all of the county region.

A major responsibility of the County Development Board would be the conducting of comprehensive and continuing surveys of social and economic conditions and inventories of the county's human and physical resources. The board would then be responsible for the formulation of plans for the optimum economic development of the area's resources. Legislation should be passed that would require these development plans to be drawn up in close co-operation with Provincial Government departments and should be adopted by the municipality concerned and ratified by the appropriate departments of the Provincial Government, in the same way that Official Plans are now authorized under the Planning Act. It should also be mandatory that all municipalities within the new county units support the County Development Board.

In this way there would be a master regional plan binding upon all of the municipalities, which could be changed only after a public hearing

and permission from the appropriate Provincial Government body. The master regional plan would contain policy statements concerning (i) resource development goals, (ii) types of industry most suited to the needs and resources of different parts of the county, (iii) provision of major regional services such as recreation, water supply, sewer lines and sewage disposal, (iv) urban growth patterns and (v) conservation schemes and (vi) general land use.

To assist in carrying out the foregoing, the County Development Board would require an adequate technical staff comprised of experts in resource inventory, economics, industrial location and promotion, planning, etc. In addition there should be a technical advisory committee consisting of local municipal officials representing a wide cross-section of functions related to or affected by planning such as health, education, recreation, public utilities, municipal planning and engineering. It would also be essential to have Provincial Government field representatives working closely with the County Development Board.

In the first stages, before the new county unit had been officially designated as the municipal government for that region in all matters relating to area-wide economic development, the County Development Board would report directly to the individual local municipalities, and the plans would have to be implemented through actions of the local municipal councils. However, once the county government had been reformed and had attained the status suggested in recommendation #1, the board would report directly to county council.

Thus, the recommendation of a County Development Board could be implemented immediately and the reforms and adjustments proposed in the previous two recommendations could follow. In fact, the formation of such a board would likely assist in achieving the goals of stronger county

government and municipal boundary changes.

County advisory boards with adequate technical staff will never materialize in all parts of the province unless the Provincial Government commands such action and provides financial assistance through the mechanism of matching grants. This should not be considered as a revolutionary idea when one considers that the Provincial Government already provides large sums on a matching grant basis for various programs.

As an example of how a County Development Board might be achieved, let us look at Waterloo County which is presently moving towards the abolition of the numerous small joint area planning boards and the establishment of a county area planning board. This county planning board would have the same rules of representation as the Waterloo County Zone Committee of the Midwestern Regional Development Association, i.e. two representatives from each municipality. In addition to the usual survey and planning functions of a planning board, the Department of Municipal Affairs has recommended that this board take on the responsibilities of area promotion, which heretofore has been the domain of the Regional Development Association. Some concern has been expressed by people in the area that the municipalities may not be willing to support two different organizations that seem to have overlapping functions.

The constituent municipalities of Waterloo County, plus the three cities, have agreed to raise $35,000 in support of a county area planning board, following the recommendations of the Department of Municipal Affairs. An ad hoc Area Planning Co-ordinating Committee, with the same membership as suggested for the county area board, has requested a matching grant to help provide the funds that will be required to do an adequate job. The same Waterloo County municipalities provide roughly $10,000 on a matching grant basis to support the Midwestern Ontario Regional Development Associ-

ation and other funds are raised to support the Midwestern Regional Tourist Council. Thus, between $45,000 and $50,000 will be spent annually on economic development promotion and area planning.

Without increasing the costs to municipalities, this amount of money could readily be made available for a board that would deal with all aspects of development in a co-ordinated manner. On a matching grant basis, this would mean that between $90,000 and $100,000 would be available immediately for the kind of operation that has been suggested.

With such funds, the County Development Board would be in a position to employ professional staff in fields such as developmental economics, industrial promotion, community planning, etc. to carry out the necessary research for formulating a master plan of development, as well as to give day-to-day advice to boards and councils of small municipalities now without sufficient professional staff. A County Development Board would not, however, obviate the necessity for having adequate professional planning staff and industrial commissioners for the larger urban centers.

In the Waterloo County case, the suggested cost is well within the realm of practicability and indicates that what has been suggested here could be carried out at no extra cost to the municipalities above what they either are now spending, or will shortly be forced to spend, and it will yield much greater results than the present unco-ordinated efforts. The additional grants from the Provincial Government also will be no greater than are likely to be requested anyway in a fragmented manner. In the long run, the Provincial Government may very well find that the establishment of co-ordinated boards will eliminate so much detail now handled in Queens Park, that the total cost - benefit ratio of governing will be reduced.

A financing problem will arise in the sparsely populated under-

developed areas that have not shared equally in the overall provincial economic growth. The municipalities in these areas will not have adequate financial resources to match Government grants in order to raise the funds required to develop resources and provide the needed services. But these areas would normally be suitable candidates for extra assistance in any case. It might be possible to devise an economic health and needs index that would act as a formula for the percentage Provincial contribution to the costs of a County Development Board.

There has long been a demand on Government to give special assistance to municipalities and regions that have not shared equitably in the province's economic growth. The Development Boards would appear to be an excellent vehicle through which the Province could subsidize slow growth areas by differential grants to the Boards. There is no valid reason why all regions should be treated equally. Grants based upon need would seem to be a more equitable policy.

What has been suggested here is a means by which municipal, provincial, and even federal contributions might be related in a meaningful co-ordinated attack on the problems of developing resources, promoting total economic growth, and planning physical expansion.

4. The organization of associations of County Development Boards.

It would appear that there is a need for associations of groups of County Development Boards to facilitate consultation on matters concerning broader economic regions, and to permit co-ordination of the programs and plans of the various County Development Boards. The association of County Development Boards could provide the forum in which new ideas could be put forward and threshed out without committing either local or Provincial governments It could provide a further communication link between Provincial

Government and the larger regions of the province. It could provide the vehicle through which Provincial Government could co-ordinate plans that encompass a number of county units. It could also be a general educational and promotional agency for these regions of the province.

In effect, what is suggested as the role for this association of County Development Boards, is precisely what the Regional Development Associations are presently doing quite effectively. At the same time, this arrangement would leave to the County Development Board the actual economic development planning, which the Regional Development Associations find impossible to do well.

There could be a very smooth transition from the present organization to what is here proposed. If in the near future a county created a County Development Board, it could still remain in the present Regional Development Association. It could then be considered as a very powerful "County Zone Committee" of the Regional Development Association until the whole region was reorganized on the same basis.

The proposed association of County Development Boards in the long run might very well be the means by which the municipal governmental system can be kept in a state of evolution. One of the advantages of an independent meeting place for local and Provincial officials is to ensure that problems can be kept constantly under review. The associations of County Development Boards could, some time in the future, provide the mechanism for moving to even larger units of regional government than the new county units.

5. Rationalization of Provincial Government administrative regions.

As was stated in a previous section, there are compelling reasons why those departments whose policies greatly affect economic development should jointly make a reappraisal of their administrative regions. It may not be practical nor desirable to have common administrative regions for all

of these departments, but it would certainly facilitate basic research, and policy formulation and implementation if they all used the same "building blocks" in creating their regions.

If, where possible,the counties were used as the basic units in creating regions, they could be combined in a number of ways, retaining the advantages of having statistical data for research and policy making purposes, and having convenient municipal government units for the implementation of programs. There could be administrative regions consisting of one county, of a number of counties, preferably coinciding with the boundaries of the proposed associations of County Development Boards, or even a region consisting of several associations.

A further advantage of rationalizing government administrative regions would be the possibility of placing Government regional representatives from different departments in the same office building. This would facilitate co-ordination and co-operation among the regional representatives and also between the Provincial regional offices and the municipal governments and agencies. It would be particularly advantageous to have the Government regional officers working closely with the technical staffs of the proposed County Development Boards.

In the densely urbanized areas there might very well be Government regional offices in each new county unit. In the less developed areas, an office within each association of counties would likely suffice.

The establishment of such Government regional offices would further facilitate the needed two-way communication between local and regional organizations and the Provincial Government. With a Provincial Government building containing representatives of most departments, the Government should experience less difficulty in administering policies with local and regional implications, and obtaining information about the real needs of

the various regions of the province.

6. Reorganization of Provincial Government branches directly relating to regional economic development and regional planning.

The importance of co-ordinating policies and programs of different departments and branches of the Provincial Government can hardly be over-emphasized. Unless there is close co-ordination at the Provincial Government level, some of the proposals previously made in this section will be impossible to execute, and the end result of all the attempts at reform at the local level will meet with very limited success.

The big question is how to achieve this co-ordination. Some past attempts at increasing co-ordination and recommendations for the future were presented in Section II. It is now our intent to synthesize the recommendations contained in Section II, elaborate on some of these, add others, and show how the proposed reorganization could correlate with the suggested reform at the municipal level to ensure maximum results from regional economic development programs.

In making these recommendations we quite realize that we are not fully familiar with all of the internal intricacies and operational problems of Provincial Government. Only those on the "inside" are sufficiently knowledgeable to be able to take into consideration many of the details necessary for making sound decisions on Government organization; however, it is generally conceded that it takes someone from the "outside" to be really objective. Our recommendations are based upon information and opinions gathered from interviews with senior civil servants, Government regional representatives, and municipal officials, from Government departmental reports, and from legislation and other written terms of reference. The conclusions have not been arrived at lightly; they result from much

discussion and careful consideration of the available evidence.

A number of our recommendations are very specific. We realize that there may be alternatives, which, because of political or other reasons might be more feasible. The important thing is to achieve co-ordinated Provincial Government policies and programs to facilitate optimum regional economic development.

Our first recommendation is that the Community Planning Branch of the Department of Municipal Affairs, and the Regional Development Division and Municipal Services Division of the Department of Economics and Development be merged. All three of them are concerned with overall regional economic development. Only if these three are merged so that there is one common policy regarding various aspects of economic development and regional planning, is there much likelihood of obtaining the unified regional development boards previously recommended.

Even if the Province moves quickly to the ultimate goal of rational regional municipal government units, regional economic development programs will suffer unless there is a complete co-ordination of policies and programs relating to industrial promotion, resource development, and land-use planning, - a co-ordination that in our opinion can be achieved only if these three most directly concerned branches are amalgamated. It is possible that it would be found desirable to retain separate sections within the branch, as long as their efforts were co-ordinated.

In support of such an amalgamated branch, there is need for a strong research branch. In our opinion, this could be achieved by uniting the present Economics Branch and the Special Research and Surveys Branch of the Department of Economics and Development to form one section of a new research organization to be attached to the same department in which the combined Community Planning-Regional Development-Municipal Services Branch

is placed. The second section of the research organization should be comprised of the Research and Special Studies Division of the Community Planning Branch. The two sections, although concentrating on different aspects of economic development, should closely co-ordinate their research activities and should work in harmony with the policies and programs of the proposed Community Planning-Regional Development-Municipal Services Branch. Since the combined planning-development branch would be taking on the developmental aspects of the tourist industry, tourist research personnel should also be added to the combined research branch.

The new research branch should be able to provide invaluable assistance to Government in formulating policies related meaningfully to the needs of the various regions of the province. It should provide, for instance, indices of the economic health of the various parts of the province, guidelines for differential grants and subsidies, and basic data needed for devising economic planning policy. It should also provide technical advice and assistance for regional development organizations, and test the performance of regional development programs.

To permit the research branch to carry out its functions effectively, it will be necessary to provide it with the most modern data processing equipment. The vast array of data required for economic survey and analysis makes it essential for such a research branch to have ready access to an electronic statistical data bank.

It would also seem to be wise policy to attempt to co-ordinate Government research more closely with research being done in universities. Special grants and scholarships to regional universities, to encourage them to attack regional development problems, would help to enlist the efforts of professors and graduate students in providing basic information and problem analysis. The universities have a pool of highly capable researchers

and elaborate computers. They are often looking for research projects within their region with which to test theories or provide research experience for students.

In order to support closely the new planning-development branch and the combined research branch, the Ontario Research Foundation and the Ontario Economic Council should consult frequently with them to ensure that their own research and studies are related to the needs of these branches, and to ensure that the research and implementation programs of these branches are related to the real needs of the province. (If there are advantages to be gained by doing so, both the Ontario Economic Council and the Ontario Research Foundation could report to Cabinet through the Minister of the same department to which the above mentioned branches are attached.) Likewise there should be close contact between the Ontario Development Agency and these branches in order to assure that its financial assistance policies are co-ordinated with overall economic development goals.

It also would seem advantageous to have the Ontario Municipal Board closely associated with the branches carrying out research and programs relating to regional economic development and planning. If there were closer contact and co-ordination, the O.M.B. could base its decisions on a body of facts objectively collected instead of on evidence collected in an adversary-type court setting. Also the O.M.B. could be a major instrument in implementing policies relating to regional economic development.

Because the Agricultural Rehabilitation and Development Agency is also concerned with total economic development of rural regions, it too must co-ordinate its programs with those of other regional economic development organizations. This co-ordination could be effected most easily if ARDA were placed in the same department as the other branches concerned with overall economic development.

It is absolutely essential that all of the above mentioned branches and agencies work closely with one another. We believe that this co-ordination can be most effectively achieved if they are all attached to one department with a minister and deputy minister who will insist upon co-ordinated policies and programs. However, to which department these branches and agencies should be attached is a difficult question.

There are good reasons why all regional development and planning branches and agencies should be attached to either the Department of Municipal Affairs or the Department of Economics and Development. Both have been concerned in the past and are presently concerned with various aspects of economic development and regional planning. The Department of Municipal Affairs has been established for a long time, and it is recognized as the department having the most intimate concern for the welfare of municipalities and their regional interrelationships. On the other hand the Department of Economics and Development (in spite of changes in name and function) has been concerned with economic aspects of development. The proposed combined branches and supporting agencies could be attached to either of these two departments without any real change in the cabinet organization.

There are also a number of important reasons for not attaching the regional planning-development branches and related agencies to either Municipal Affairs or to Economics and Development. In our opinion, these regional planning and development functions could very easily become lost in the maze of other functions for which these departments are responsible, and thus the regional planning and development activities would not become a major concern of the minister and deputy minister in charge.

If branches were moved from one of these two departments and given to the other, the existing jealousies and rivalries between the two departments might be further heightened. Also there is a psychological

disadvantage of merely moving branches from one department to another. Branch shuffles have been frequent and the public and Cabinet alike would likely consider it as a minor change in Government organization. What is needed is a realization that something new and dynamic has been created; that there is truly going to be change and action; and that an effective regional economic development program is one of the most important tasks of Provincial Government.

For these reasons, we recommend serious consideration of establishing an entirely new department which would concern itself primarily with regional economic development and planning. This new Department of Regional Affairs would require certain conditions in order to succeed. First, it would require supporting legislation requiring co-ordination and co-operation of all Government departments with programs having a direct or indirect effect upon regional economic development. Since this co-ordination cannot be legislated, there also would have to be agreement by the Cabinet that all departments co-operate with the new department. Equally, and perhaps more important, is that the Minister of the Department of Regional Affairs be considered as a senior cabinet minister, thereby placing the department in a strong position to influence Government policy and effect co-ordination on all matters relating to regional economic development.

Of course this machinery will not work effectively unless there is strong leadership, particularly in the early stages of the new department. The new minister and deputy should be men who are highly capable and who have broad experience that enables them to understand the functions of other Government departments and to command their respect and co-operation.

Thus what we are proposing is a new department with a new name and with new leadership in order to execute a new concept of regional economic

development. In making this proposal, we are quite aware that it will work only if the idea is solidly supported by the Cabinet,— the only Government body capable of effecting real co-ordination and co-operation among departments. It is for this reason that we recommend, regardless of what other action is taken, that the Government establish a Cabinet Committee on Regional Development, and, further, that this Cabinet Committee begin working as soon as possible on a Provincial Development Plan to act as a guide for departmental programs.

Concluding Remarks

In this report, most of the criticisms, and recommendations have been directed at the Provincial Government. In so doing we are not unmindful of the shortcomings of local government and of the apathy of the general public concerning matters of regional economic development and regional planning. Although we admit that Government cannot proceed too far ahead of public opinion, we feel that Government does have the responsibility of providing leadership. The public has elected the Government for that purpose.

While we subscribe to the principle of educating the general public over a period of decades on the value of the regional concept, and the importance of economic and physical planning, we do not feel that the Province of Ontario can afford to postpone major actions in these fields until the education task has been completed. The critical importance of a co-ordinated effort at promoting and guiding the economic growth of the province in order to ensure orderly urban growth, to optimize the economic and social returns of resource development, and to reduce inequities from one region to another dictates that the Provincial Government

exert strong leadership, and that it do so now.

We are convinced that the Government could implement all of the recommendations contained in this report with a minimum of public reaction.

> The majority of the population would likely react to progressive Government action in a manner which is tantamount to saying, "Why didn't the Government do this years ago?"

APPENDIX

QUESTIONNAIRE REGARDING EFFECTIVENESS
OF THE PROGRAMS OF REGIONAL DEVELOPMENT ASSOCIATIONS
AND REGIONAL TOURIST COUNCILS

The Department of Geography, University of Waterloo, has been engaged by the Ontario Economic Council to investigate the effectiveness of the various government supported programs relating to regional economic development We would very much appreciate your candid answers to the following questions. If you feel you are not in a position to answer the questions adequately perhaps you would be kind enough to pass the questionnaire on to someone in your municipality who has been more actively concerned with these development programs.

1. Name_____ Address_____

2. Occupation_____

3. Check if you have been one of the following:
 _____ director of Regional Development Association
 _____ director of Regional Tourist Council
 _____ member of Chamber of Commerce
 _____ member of Planning Board
 _____ member of municipal council
 _____ employee of municipality (specify)
 _____ other (specify)

4. What do you see as the more important goals of regional development associations? Number in order of preference.
 _____ attract new manufacturing industry to the region
 _____ promote tourism in the region
 _____ encourage municipal and regional planning
 _____ co-ordinate activities of various local boards and commissions
 _____ carry out basic research and surveys concerning the resources and economy of the region
 _____ increase the degree of co-operation among municipalities in the promotion of overall economic development of the region
 _____ by acting jointly, to increase the effectiveness of briefs sent to government
 _____ other (specify)

5. In what respects has the association been most successful in your region?

6. What do you feel to be the greatest weaknesses of the regional development association?

7. What remedies do you suggest?

8. Comment on the effectiveness of the regional tourist councils.

9. What are the most important needs and problems of your region?

10. What action do you recommend that the Provincial Government take to solve these problems?

(If you would like to make further comments, do so on the back of this sheet)

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